# Daily Report

# East Europe

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Thursday
17 June 1993

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*FBIS-EEU-93-115* *17 June 1993*

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## Negotiations in Geneva on B-H Crisis Discussed

### Milosevic Sees 'Significant Progress'

*AU1606200193 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 16 Jun 93*

[Interview with Serbian President Slobodan Milosevic by Zoran Jevdjovic, in Geneva on 16 June—recorded]

[Text] [Jevdjovic] At the end of today's negotiations in Geneva and the meetings with the representatives of Croatia and the representatives of ethnic communities from Bosnia-Herzegovina, could we, Mr. President, hear your assessment, since there were both bilateral and joint meetings?

[Milosevic] To be as brief as possible, it is difficult to compare these talks with the previous ones, considering that they indeed dealt with all the essential issues and all the essential solutions to the crisis in Bosnia-Herzegovina, above all, and at the same time not to be able to say much at present.

We cannot say anything about the content of the talks at present, because we agreed to continue them. However, I would like to say that last night, overnight, and all day today we held very open and long talks with virtually all the participants working on the solutions to the Yugoslav crisis, and that we have indeed made significant progress.

There is no doubt that all sides, without exception, are interested in the most active participation in the continuation of the peace process, and there is no doubt that. I [Milosevic] My impression is that the Croatian side fully agrees with this conclusion, and that the Muslim side still has some reservations. I do not believe in a better alternative than the one that we discussed today.

[Jevdjovic] After Muslim President Izetbegovic finished with the talks, he made a brief statement in which he said among other things that he is leaving the talks because of the situation in Gorazde. Was this presented in this way during the talks themselves?

[Milosevic] Not at all. I am very surprised by this. The talks have ended. We all said goodbye. All of us continued our other business. I am indeed surprised at this statement, because there was no mention of walking out.

[Jevdjovic] This is not the first time.

[Milosevic] All right. We will not....

[Jevdjovic, interrupting] Finally, can we ask you something else? Was there any mention of Krajina or the continuation of talks? We heard that Mr. Hadzic will be here in Geneva tomorrow.

[Milosevic] Yes, of course, Krajina was discussed, too. However, as regards Krajina, our position is known. We presented it on this occasion, too. The Krajina issue can be negotiated with the representatives of Krajina. I think that this issue cannot be resolved in any other way but through the negotiations between the legitimate representatives of Krajina and the Republic of Croatia.

[Jevdjovic] Thank you very much.

[Milosevic] You're welcome.

to a radical re-working of the Vance-Owen peace plan for the former Yugoslav Republic of Bosnia-Herzegovina.

This was probably Izetbegovic's real motive for walking out of the talks because only observers of the United Nations Protection Force (UNPROFOR) entered Gorazde on Wednesday evening as an UNPROFOR advance party.

Gorazde is one of the six Moslem "safe areas" in which U.N. peacekeepers are expected to be deployed.

Izetbegovic had quited talks on several other occasions too when proposed solutions for a peaceful end of the Bosnian war were not to his liking and ofdered various excuses for doing so.

Before arriving in Geneva, Izetbegovic toured European capitals seeking the lifting of the U.N. arms embargo for the Bosnian moslems. By doing so, he made it clear that he still supported a military option.

### Ethnic States Considered

*LD1606224493 Belgrade TANJUG in English 2156 GMT 16 Jun 93*

[Text] Belgrade, June 16 (TANJUG)—President of the Yugoslav Republic of Serbia said on Wednesday evening after talks in Geneva with Croatian President Franjo Tudjman and Bosnian Moslem leader Alija Izetbegovic he strongly believed that they had made a substantial step toward peace.

Croatian President Tudjman indirectly confirmed that the Vance-Owen peace plan was definitely dead. Speaking at a press conference, Tudjman urged a solution that would take into account the interests of Bosnia-Herzegovina's three ethnic communities.

An agreement was reached in principle that Bosnia should be divided into three ethnic states. According to Tudjman, along with Serb and Croat federal units in Bosnia, there would be a Moslem unit in the central area between Sarajevo, Tuzla and Zenica.

Croatia would be ready to consider granting the Moslems a freeport zone in the Adriatic port of Ploce if Izetbegovic gives up his demand for access to the sea and if a solution is found to end the war and preserve the strategic interests of the Croat people in Bosnia-Herzegovina.

Bosnian Serb leader Radovan Karadzic made the following statement: "We will sacrifice some territory for peace ... We are talking about 1,000 square kilometres."

It is vital to stop the war and divide Bosnia into three ethnic states, said Karadzic, and added that the international community too was beginning to realize that a civil war was raging in Bosnia and that it could no longer support the Moslem side's insistence on a unitary state.

### Karadzic Comments

*AU1606184993 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 16 Jun 93*

[Zoran Jevdjovic report from Geneva]

Republic of Yugoslavia, returned to Le Saugy Villa shortly after 1700 to join other participants of today's talks in Geneva.

In brief, it could be said that there are reasons for optimism and that the foundations could be laid here in Geneva for a more lasting settlement of the Yugoslav crisis. Let us also see how Radovan Karadzic, president of the Serbian republic, answered our questions immediately after the conclusion of the morning part of the dialogue and how he reacted to the topics that were in focus .

[Karadzic] We mainly discussed the problems of the Serbian republic, that is, the former Bosnia-Herzegovina, and the real situation. Reality is, in fact, dictating all modifications to all the previously held views on the crisis in the former Bosnia-Herzegovina.

I think that the international community will increasingly acknowledge what is happening in reality. In this context, we had important meetings with important people, and we will hold more meetings. I hope that some solution can be found.

[Jevdjovic] On your arrival last night you told us that a discussion should be held about three topics: delineation, direct talks, and the future relations among the three entities in Bosnia-Herzegovina. Are moves being made in that direction?

[Karadzic] Yes, first we insist on an end to the war, then that a reasonable delineation between the three ethnic communities be agreed on, and finally on the determination of the nature of relations among these three new entities that will emerge in Bosnia-Herzegovina, which have in fact already emerged in practice. Whether we want it or not, this has happened and cannot be changed, not even with formidable force.

[Jevdjovic] What is in your view the position of the Muslim community and its leadership?

[Karadzic] We still do not known their position, because we have not had any contacts with them. We assume that they still favor the idea of a unitary Bosnia under their domination. However, no one in the world will accept this. This is more than clear.

[Jevdjovic] Is this clear from the reaction by Messrs. Owen and Stoltenberg?

[Karadzic] What is clear is the civil war. The fighting between the Croats and the Muslims have opened the eyes of the international community in particular that this is a civil war, and not Serbia's aggression on Bosnia, as Izetbegovic argued, and on the basis of which he succeeded in introducing the sanctions. The sanctions were of course introduced by those who do not wish Serbia well. They also introduced them for other reasons, but they used the war in Bosnia as the reason. It is now clear that this is a civil war. The international community will not change its approach any more.

[Jevdjovic] But the dialogue is continuing here, is it not?

[Karadzic] Yes, yes. We will continue, and I think that the peace process, whatever it is called, should continue.

[Jevdjovic] [Serb republic assembly speaker] Mr. Krajisnik, let us hear your impression. What could we say to the people in the Serbian republic? What could you say as a chairman of the assembly? Has any progress toward peace been made?

[Krajisnik] Well, it is a bit early to come to conclusions, but I could say that the talks are being held in a planned manner. In any case we should be satisfied because the approach is considerably better. The real situation is being accepted, the possibility of the Serbian side taking part in the talks with the Croatian and Muslims sides on equal footing is being accepted. There are a considerably larger number of approaches expressed in these talks. They take into account that the referendum was held and that there are completely justified demands by the Serbian side.

## WEU Supports UN Actions in B-H

*LD1606171893 Belgrade TANJUG in English 1507 GMT 16 Jun 93*

[Text] Paris, Jun 16 (TANJUG)—The parliamentary assembly of the West European Union (WEU) on Wednesday suggested that the council of this military organization should fully uphold and help United Nations actions in a series of regional conflicts and care for the strict implementation of U.N. Resolution 836 on "safe areas" in the former Yugoslav republic of Bosnia-Herzegovina.

The assembly of the WEU, whose members are European Community countries except for Denmark and Ireland, advocated the further tightening of economic sanctions against Serbia and Montenegro, the federal units of the Federal Republic of Yugoslavia (F.R.Y.), and urged consistent observance of an arms import embargo on all the warring sides in former Yugoslavia, Croatia included.

The WEU also suggested one its miiltary contingent be despatched to the Former Yugoslav Republic of Macedonia (FYROM) to ensure "stability and security" in the region.

British representative Lord Finsberg said in the assembly debate that the latest events in Bosnia-Herzegovina showed that all the three sides (Serbs, Croats, Moslems) were perpetrating terrible crimes, while Serbs alone had once been accused of atrocities.

In calling for the United Nations to be transformed to be able to perform its mission of preserving peace, Portuguese representative Rodriguez Gomez believed that the U.N. was incresingly beconming "an instrument of power" and it was absolutely necessary that it returned to "humanitarian objectives."

Having assessed that a more comprehensive analysis was necessary of all that preceded the disintegration of former Yugoslavia, he recalled, among other things, the premature recognition of Slovenia and Croatia by Germany, which was "a political decision" with unforeseeable adverse consequences.

"I am confident that the sending out of troops to Macedonia also is a wrong move," Rodriguez Gomez concluded.

### CSCE Group Told of Sanctions Violations

*PM1706114493 Copenhagen BERLINGSKE TIDENDE in Danish 16 Jun 93 p 1*

[Soren Ostergaard Sorensen report: "Illegal Convoys to Serbia"]

[Text] Skopje—Every day a constant stream of trucks and trains carry goods across the border between Macedonia and Serbia.

Figures, of which BERLINGSKE TIDENDE has received information, show that the international embargo directed against the former Yugoslavia is increasingly being breached by its southern neighbors, despite the fact that two months ago the UN Security Council adopted a resolution calling for a total blockade of Serbian and Montenegro.

When darkness falls, heavily laden trucks begin to move across the Macedonian-Serbian border. They are observed through night binoculars from the Nordic UN positions which have seen 1,400-1,700 vehicles a week crossing the border. In addition, up to 50 trains cross the border moving north. The United Nations has no mandate to halt this traffic.

Yesterday Macedonian Prime Minister Branko Crvenkovski admitted to a CSCE delegation—headed by Ritt Bjerregaard (Social Democratic Party)—that the embargo is being broken.

In conversation with BERLINGSKE TIDENDE Ritt Bjerregaard described the sanctions breaking as "on a surprisingly large scale" and she will urge the Danish Government to exert pressure for the EC to give increased compensation to Macedonia. After these revelations in a report to the CSCE she will also call for a number of international customs officials and observers to be sent.

EC member Greece is behind some of the traffic from Macedonia, Ritt Bjerregaard said. "We should now also pay greater attention to the Greek border."

### Berisha, Macedonia's Gligorov Meet in Vienna

*AU1706053293 Tirana Radio Tirana Network in Albanian 1730 GMT 16 Jun 93*

[Text] The meeting between President Sali Berisha and Macedonian President Kiro Gligorov was organized at the UN seat in Vienna. This meeting was held in a spirit of understanding and focused on the continuation of the profound cooperation between the two neighboring countries.

President Berisha reconfirmed Albania's stance, which considers Macedonia's security and stability to be very important for the Balkans. He stressed that the accomplishment of the fair demands of the Albanians would be a premise to promote very good bilateral relations. He explained that Albania condones not the blocking, but the freeing of relations with Macedonia. Concerning this, we were among the first to recognize it.

Naturally, on the basis of all international principles, Albania is, however, obliged to show care to the Albanian communities wherever they live. In this context, President Berisha asked that Macedonia take measures to ensure all the rights to Albanians living in that country.

### Meksi Receives CSCE Commissioner Stoel

*AU1606092193 Tirana ATA in English 0816 GMT 15 Jun 93*

[Text] Tirana, June 15 (ATA)—In his meeting yesterday with Premier Meksi, the CSCE high commissioner on national minorities, Mr. Max van der Stoel thanked for the facilitating conditions created in Albania in carrying out his mission. In this meeting he also concerned himself in the situation of the Albanian nationalities in Albania, the Albanians' question in Kosova and other territories of former Yugoslavia, Albania's relations with the neighbours, the European Community, European Bank, and other international institutions.

Premier Aleksander Meksi spoke of the correct policy followed by Albania, conform the human rights norms and CSCE documents, the defence and observation of the rights of the Greek minority in Albania, and the creation of a friendship atmosphere with the Greek people. As regards the Albanian question, Mr. Meksi stressed the Albanian Government's view for a peaceful and correct solution to the Albanian question in Kosova and other territories of former Yugoslavia, which is very important also for peace and stability in the Balkan region. Later, Mr. Meksi dwelt on the very good relations existing among Albania, European Community, and European Bank, the aid granted to Albania especially in the economic field. They also pointed to the assistance granted by the Council of Europe, especially in the field of human rights.

### Economic Reform Reduced Inflation to Zero

*AU1606165793 Tirana ATA in English 1010 GMT 16 Jun 93*

[ATA report on RILINDJA DEMOKRATIKE article: "Encouraging Figures of Inflation in Albania"]

[Text] Tirana, June 16 (ATA)—Dealing with the problem of inflation in Albania, the newspaper RILINDJA DEMOKRATIKE reports that on April the index of consumer's price decreased by 0.1 percent as opposed to the previous year. According to unconfirmed records, there was no price rising in May, either.

Such indexes, the newspaper says, mark a climax in the development of the economic reform in Albania. Within two years, the application of the reform reduced Albania's inflation to 0 from an annual record of 240.1 percent.

RILINDJA DEMOKRATIKE says in continuation that one should take into account the great number of the people on assistance. The government should concentrate all efforts precisely on the opening of new work places. This, the newspaper says, seems paradoxical in a country in which a good part of the state enterprises must be closed down as unproductive and a good part of the funds goes for the persons on assistance, at a time when there are no funds for investments.

The opening of firms and new productive activities, the newspaper says, would give us hope for the future. It would help the zero inflation turn into a deflation and an economic boom.

## Berov Outlines Mass Privatization Project

*AU1706113793 Sofia PARI in Bulgarian 7 Jun 93 p 5*

[Article by Prime Minister Lyuben Berov: "Certain Problems Regarding Mass Privatization"]

[Text] During recent weeks many articles and brief responses have appeared in the press regarding my proposed project for accelerating privatization in Bulgaria. In some cases the reactions have been negative, even to the extent of describing my proposal as reckless and having unforeseeable social consequences. However, most of the reactions have been positive, although often containing diverse critical comments on individual issues. At present, however, a number of fundamental controversial ideas in the project, for which various alternatives are possible, have been overlooked.

**THE FIRST PROBLEM OF THIS KIND IS RELATED TO THE NATURE OF THE PRIVATIZATION TRUST FUNDS** to which individual citizens will hand over their deferred-payment vouchers to be applied for specific purposes. Different answers may be given to the questions of which natural or juridical persons (including banks) will have the right to set up such trust funds, what their responsibilities will be, and how the clients or society will exercise real control over their activities. However, it would be better to limit the number of these funds (for example, to about a dozen, some of which would be regional), licensed by the Ministry of Finance or the Bulgarian National Bank (BNB), and with their activities regulated by a special code that includes trustee requirements in addition to those specified in the Commerce Act.

Regarding the tasks and nature of the trust funds, two fundamentally different alternatives are possible. Under the first, the trust funds will be transitional institutions that will function for up to two years. In this case, the task of the fund will be, by taking part in the relevant auctions (for sale of shares in the enterprises included in the privatization project), to acquire certain numbers of shares in different enterprises and then to distribute these among their clients in exchange for the surrendered vouchers. After completing this operation, the fund ceases to exist (after issuing an appropriate public report on its work and discharging its managers). With this alternative, however, difficult problems arise regarding the method by which the shares acquired by the funds will be distributed in each specific case among the fund's voucher-holder clients. Every client will want only to receive shares in the most promising enterprise and will be very dissatisfied even if the shares are allocated by lot.

Under the second alternative, the clients do not receive specific shares in a particular enterprise. After the privatization auctions have been completed, the trust fund remains in existence under the Commerce Act for a period of, say, twenty years as a joint stock company, in which all the clients who entrusted it with their deferred payment vouchers will be shareholders. They will receive as dividends the bulk of the income derived from the activity of the individual privatization enterprises owned by the fund. The fund's board of directors (and possibly an additional group of top managers) will be elected at a general meeting of shareholders. After completion of the auctions or the expiry of one year, for example, every shareholder will be able to sell his share in the fund's capital to a third person. For this purpose, the trust funds will be obliged to print their share certificates with strict precautions to minimize the risk of counterfeiting. These shares may be sold on the stock exchange in Sofia or in certain other large towns. With this alternative, the question arises whether the mass privatization process will merely result in replacing the previous state bureaucracy responsible for the inefficient management of state enterprises with another equally inert bureaucracy of trust funds not subject to control from below. However, as a condition for the more effective functioning of the system as a whole, this new bureaucracy will be controlled to a greater extent by groups of economic agents with a direct interest in their efficient operation.

**THE DEBATABLE QUESTION ALSO ARISES OF THE PERIOD OF VALIDITY OF THE DEFERRED PAYMENT VOUCHERS ISSUED WITHIN THE PROPOSED BASIC FRAMEWORK.** Some people think that their validity should not be limited. However, in this case the owners of the vouchers will have no incentive to immediately take part, directly or indirectly, (through a particular fund) in the auctions for sale of the enterprises to be privatized included in the list announced in advance. If this happens, the balance established between the value of the deferred payment vouchers issued and the approximate total value of the assets of the enterprises is included in the privatization list for a given stage of the mass privatization process will be disturbed. Those who waver will be left holding large numbers of unused vouchers, while some of shares of the enterprises in the list will remain unsold. These outstanding remnants from the first stage would greatly reduce the efficiency of the system and would greatly complicate the organization of the following stages of mass privatization.

Another alternative solution to this problem is to announce some period of validity for the deferred payment vouchers (such as four months after their date of issue, for example). Within this period, the voucher holder will be obliged to use it himself in the relevant auctions or hand it over to one of the trust funds that have been set up before the last round of privatization auctions. Following this period, the unused deferred payment vouchers will be invalid, but their holders will be entitled to receive back from the state the amount of the interest that they have paid on the voucher.

**A NO LESS IMPORTANT ISSUE FOR DEBATE IS WHETHER THE ABOVE-MENTIONED VOUCHERS SHOULD BE ISSUED IN INDIVIDUALS' NAMES,** with no right of sale or transfer (except by inheritance) within the previously mentioned period of validity, or whether they should be freely available for

sale on the stock exchange or outside from the very outset. The second alternative creates a possibility for speculation as a result of the desire of some of the holders to sell their vouchers on the market immediately, even at a very low price. In this case, many of the vouchers will fall into the hands of holders of dirty money, thus violating the social principles of this method of privatization.

There is also the controversial issue of whether foreign capital should be allowed to take part in the mass privatization. In the proposed project foreigners may freely take part in the second and third rounds of privatization auctions, which does not contravene the Foreign Investment Act and is socially justified.

There is also dispute about whether the state enterprises included in the list of enterprises to be privatized in the first stage should be offered for sale together with their debts, or whether part of their liabilities to the state banks should first be converted into a state debt. At first glance the second possibility seems more logical, but the preliminary procedure would greatly delay the privatization.

The method of selecting the enterprises to be earmarked for the first stage of mass privatization is also open to debate. In this case, it is sensible to include only profitable state enterprises or unprofitable state concerns whose assets have been revalued under the latest directive at the prices of 31 December 1992, these enterprises being selected by the Ministry of Finance or the relevant departments responsible for the industrial sectors concerned. Mass privatization will be further delayed if we wait for the remaining 54 percent of state enterprises to be revalued. They can be left for the second stage of privatization, which may take place in about a year, for example.

Municipal enterprises cannot be included in the proposed scheme for privatizing state enterprises. As an exception, it may be possible to organize similar privatization schemes for municipal enterprises in the largest towns, by issuing separate series of deferred payment vouchers or some other form of securities.

**THERE IS FAR TOO MUCH DEBATE ABOUT WHETHER THE NEW MASS PRIVATIZATION PROJECT WILL LEAD TO INCREASED INFLATIONARY PRESSURE OR NOT.** The answer is no, especially if the deferred payment vouchers are issued in individuals' names and not resalable. Even if they are freely salable, this will mean that a new investment commodity will appear on the market that, as a result of the prepayment of part of the interest, will absorb several billion leva of free purchasing power and thus increase inflationary pressure. [sentence as published]

There is also debate about the total value of the deferred payment vouchers that are to be issued at the first stage of mass privatization. According to the National Statistics Institute, the total value of the assets of about 1,500 state firms (out of a total of 3,100) whose assets have already been revalued at the prices of 31 December 1992 amounts to about 330 billion leva. If one-fourth of these companies are offered for privatization, the sum involved will be about 80 billion leva. However, this sum should be increased by about 70 percent to take account of likely inflation during the period from 31 December 1992 to the date of announcing the start of the first stage of mass privatization, toward the end of 1993. This means that the total value of the state property to be offered for privatization at this stage will be about 136 billion leva. Of this amount, about 20 percent must be retained under the law for preferential purchase by the employees of the state enterprises concerned. This implies that deferred payment vouchers will be issued with a value of only about 110 billion leva. Given that at present we have about 5.5 million citizens in Bulgaria above 20 years of age (not including prisoners and other persons deprived of their rights), this would mean that every citizen would receive privatization vouchers valued at about 20,000 leva.

Views may also differ on the way to provide the required system of informing the managers of the privatization trust funds and the individual holders of privatization vouchers about the financial state of the individual enterprises included in the privatization plan and about the possibilities for the separate trust funds to operate efficiently.

## Interior Minister Opposes Protest Camp

*AU1706084493 Sofia BTA in English 2014 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA)—Interior Minister Viktor Mikhaylov declared in parliament today that the permission to set up a tent camp next to the Office of the President, given by the sofia mayor, was unlawful. The camp was pitched last Thursday [10 June] in support of the hunger strike of Mr. Edvin Sugarev MP of the Union of Democratic Forces (SDS), pressing for President Zhelyu Zhelev's resignation. Mr. Mikhaylov arrived in parliament expressly to raise the matter. Before going into the National Assembly building, he said that he wanted to inform the lawmakers in person of the violation of the provisions of the Meetings, Rallies and Demonstrations Act and of the Local Self-Government and Local Administration Act.

Viktor Mikhaylov told parliament that the mayor's tent camp permission was unlawful as "the action is inconsistent with the Rallies and Demonstrations Act." Objections were raised in the debating chamber and Mr. Mikhaylov added that if the act was observed, the camp should not function between 10 PM And 6 AM.

The minister's words met with the disapproval of SDS [Union of Democratic Forces] MP's. "I do not dispute the citizens' rights to voice their discontent with any institution, but under the Constitution these protests cannot prejudice the honour, dignity, the rights of other citizens and the operation of the state institutions," Viktor Mikhaylov pointed out. He asked the Sofia mayor to select a suitable

place for the protesters so that they would not disturb the functioning of the state institutions.

"The mayor is permitting the tent camp in violation of the law and the Constitution, the prosecutor's office is not taking a stand on the solution of the problem, and the police are left to fill the gap between the inaction of the judiciary and the unlawful actions of part of the executive," Viktor Mikhaylov told the MP's. He said that on the order of Deputy Chief Prosecutor Kostov, the prosecutor's offices in a number of areas across the country and in Sofia are refusing to sanction the use of special methods of surveillance. According to the minister of the interior, this prevents the police from performing their crime control functions. Mr. Mikhaylov pointed out that the Greater Sofia Council had recently issued a number of unlawful acts. This assertion met with the strong disapproval of the SDS MP's who started chanting "Resignation, Resignation." "I know you don't want to listen to it because you who are shouting 'Resignation' are organizing it," the minister reacted. The cries did not die down, forcing the chairman of the National Assembly to announce a break.

Mr. Mikhaylov left parliament without resuming his statement. He intends to write what he was planning to say in a letter to the National Assembly.

After the sitting was resumed, SDS floor leader Stefan Savov told the MP's that the disputes over the competences of the central and local government and the municipal authorities should be referred for settlement to the Constitutional Court.

Mr. Khristo Ivanov MP of the New Union for Democracy (NSD) moved the text of a National Assembly declaration which is expected to be debated at tomorrow's sitting. On behalf of his faction, Mr. Ivanov declared that attempts to destabilize the institutions had recently been observed in Bulgaria. The declaration is being moved both in this connection and because of the incident with NSD co-chairman Prof. Petur Markov, who was manhandled in the tent camp of President Zhelev's opponents. The text of the declaration is signed by representatives of three parliamentary factions, Mr. Ivanov said. According to the draft, parliament should voice its concern over the attempts to increase tension in society, at that with the participation of MP's. "We call on the police and the prosecutor's office to fulfil their obligations under the law and secure conditions for the normal work of the National Assembly, the president and the government," the draft document reads.

### Yordanov Gives Address on Sugarev Hunger Strike

*AU1706054593 Sofia BTA in English 1944 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA) –National Assembly Chairman Aleksandur Yordanov this evening delivered a televised address in connection with the hunger strike which Mr. Edvin Sugarev MP of the Union of Democratic Forces (SDS) declared nine days ago to press demands for the president's resignation.

Mr. Yordanov said that Mr. Sugarev's open letter by which he urged the president to resign raises a number of bitter questions which worry the public mind. "These are questions concerning the principles and the honour of democracy, the responsibility of the politicians and the democratic institutions, the role of us all in building a democratic society, the need of a transition from a totalitarian to a democratic parliamentary system," Mr. Yordanov said.

The head of parliament said that Edvin Sugarev's gesture is an appeal to the conscience of all Bulgarians and a chance of in insight for the sick aspects of society. He said that, as many times before in Bulgarian history, the political forces and the members of the public react ambivalently to Mr. Sugarev's gesture.

"As chairman of the National Assembly, I do not want Edvin Sugarev's gesture to become a stake of a new wave of political double dealing and machinations, of destructive rather than constructive demands," Mr. Yordanov said. He believes that certain people should not take advantage of Mr. Sugarev to make a political career for themselves. "Edvin Sugarev, a highly talented artist and member of parliament, is needed alive by Bulgarian democracy," Mr. Yordanov said.

The head of parliament is certain that many of the problems, pains and convulsions of Bulgarian democracy are due to the fact that Bulgaria's politics still does not have the whole truth about the past. "The dark heroes of the communist era have not yet seen the light of day. Many of the doubts, concerns and hesitations about the destructive tendencies in our society, about the attempts to block the reforms, to push Bulgaria towards anarchy and chaos, come from the obscure, dark spots in the political past and present," Mr. Yordanov said.

In connection with the demands for new presidential and parliamentary elections, Mr. Yordanov said that what is needed right now is another, quite clear and unambiguous appeal: "Bulgarian democracy will never take real hold on this land, we will never find out who is who in Bulgarian politics and what their real goals are if we do not make a moral and political effort to shed light on the whole truth about the employees of the former State Security and about the activities of the Secret Services."

"In my capacity as head of parliament, I declare myself clearly and categorically in favour of a declassification of the police files," Mr. Yordanov said, describing the files as a political scourge of the past and a Gordian knot of the present.

The National Assembly chairman addressed his appeal for declassification of the files to all political forces and all parliamentary factions. He believes that the files declassification bills should be included in parliament's legislative work and that this will guarantee that the 36th

National Assembly will be able to fulfill a great moral duty to the Bulgarian people. "Otherwise, it will be simply pointless," the head of parliament said.

In the TV show "Repercussions," Interior Minister Viktor Mikhaylov was skeptical when asked what he thought about the appeal by the head of parliament, by the SDS and by the new Union for Democracy for declassification of the files. "Generals are now on trial for having burnt and destroyed a large amount of files. Three contending governments have already been there," Mr. Mikhaylov said. He believes that the right time to decide to declassify the files was at the end of 1989.

### Assembly Ratifies Agreements on Foreign Loans

*AU1606191793 Sofia BTA in English 1817 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA)—The National Assembly this evening ratified an agreement whereby Austria grants Bulgaria a medium-term loan of 210 million Austrian schillings. The agreement was signed in Vienna on November 26, 1992. The loan is made on favourable terms for Bulgaria and, as the National Assembly Foreign Policy Committee noted, it will provide extra funds for economic growth.

A credit agreement between Finnish Export Credit Ltd. and the Republic of Bulgaria on a 10 million U.S. dollars medium-term loan, guaranteed by the government of Finland, was also ratified today.

### Ratifies Friendship Treaty With Albania

*AU1606191893 Sofia BTA in English 1802 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA)—Parliament this evening passed legislation ratifying the Treaty of Friendship and Cooperation Between Bulgaria and Albania.

The treaty was signed on February 14, 1993 by Presidents Zhelyu Zhelev and Sali Berisa when the Bulgarian head of state paid an official visit to Tirana.

"This is the fundamental document in building a legal framework of relations between Bulgaria and Albania. It takes into account the present state of bilateral relations and the need to activate them on the basis of the new realities in both countries, in Europe and the world," the reasoning of the bill reads.

The treaty was signed for a 20-year period and replaces a previous accord which the two countries signed in 1947.

The treaty covers all areas of Bulgarian-Albanian cooperation and the principles and mechanisms of interaction. Under an express article, the high contracting parties may hold regular or, when necessary, extraordinary consultations and exchange views at different levels.

Mr. Ibrakhim Tatarlu MP of the Movement for Rights and Freedoms spoke in detail about Bulgarian-Albanian relations. He indicated that the treaty will play an important part for the activation of bilateral contacts and will contribute to stabilization in the Balkans.

### Ratifies Friendship Treaty With Poland

*AU1606191693 Sofia BTA in English 1826 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA)—Parliament this evening ratified the Treaty on Friendly Relations and Cooperation Between Bulgaria and Poland. The treaty was signed on February 25, 1993, during an official visit which Bulgarian President Zhelyu Zhelev paid to Warsaw.

The document opens up broad opportunities for the promotion of bilateral cooperation in the political, economic, cultural and other areas.

According to the treaty, Bulgaria and Poland undertake to interact in their integration into the European structures, to counteract the division of Europe by level of economic development and to give their all-round support to the creation of an effective Europewide system of security, cooperation and confidence.

The treaty does not contain any secret clauses. It was concluded for a term of ten years and is automatically renewable for further five-year periods.

### Ratifies Loans From Financial Institutions

*AU1706053093 Sofia BTA in English 1915 GMT 16 Jun 93*

[Text] Sofia, June 16 (BTA)—The Bulgarian Parliament tonight ratified loan guarantee agreements between Bulgaria and the European Investment Bank (EIB) and the European Bank for Restructuring and Development (EBRD).

The agreement between Bulgaria and the EIB guarantees an ECU [European Currency Unit] 70 million loan for Bulgarian posts and telecommunications, granted by an agreement which was signed in Sofia on September 28, 1992.

The agreement between Bulgaria and the EBRD guarantees an ECU 32 million loan for Bulgarian posts and telecommunications, granted by an agreement which was signed in Sofia on January 18, 1993.

Parliament adopted a special resolution tonight, giving the government a go-ahead to contract a 43 million U.S. dollar loan with the EBRD and a ECU 20 million loan with the EIB for the maintenance and development of the main road network. The road network in Bulgaria has a total length of 37,000 km. Its grossly underfunded maintenance and development in recent years has been the main reason for the marked deterioration of traffic conditions in Bulgaria. The two banks insist that the loan agreements are signed by the Bulgarian Government.

## BSP Leader Views Party Attitude to Power

*AU1406180293 Sofia KONTINENT in Bulgarian 11 Jun 93 p 10*

[Interview with Zhan Videnov, Bulgarian Socialist Party leader, by Chayka Khristova; place and date not given: "Eliminating Party-State Leadership Syndromes Is Central Issue"]

[Text] [Khristova] Mr. Videnov, you have already been chairman of the Bulgarian Socialist Party [BSP] for 500 days. How did the attitude of the party toward power change during that period?

[Videnov] The attitude toward power is a principled and important issue for the BSP's radical change. This is a natural phenomenon after the end of the totalitarian power that lasted for decades. Today the BSP fully accepts the necessity of governing under conditions of pluralism, parliamentarism, and cooperation, and has no unhealthy appetite for power. On the other hand, it has no fear of assuming power and the ensuing responsibilities. After its conference this year the BSP proved that it is aware of the great expectations of broad circles of the population, connected with the party's direct commitment to power. The party is ready to answer all those expectations, and has explicit ways of preparing for that moment.

[Khristova] However, many observers think that the BSP is afraid of assuming the responsibilities of power. After all, it had its opportunity to assume power, including the mandate your parliamentary faction received. The stipulation that you support the program, but not the government of Prof. Berov, was also interpreted as shunning power.

[Videnov] At the end of 1992 it was impossiblefor the parliament to elect a BSP government. How could we interpret the refusal of the president to positively influence the candidacy of the present prime minister through our mandate? It proves that the other participants in the political game left no chance to the BSP. It would be unjust to speak about shunning the power without making all possible or even impossible moves in this direction.

[Khristova] Does this mean that the BSP is morally prepared to assume power? How do the party members view this issue?

[Videnov] I think that the BSP is ready to assume power, provided that there is a new membership of the parliament, which will reflect the new correlation of the political forces, something that would allow us to implement this enterprise and turn it into something that is beneficial to all.

[Khristova] You talk about elections. When do you see the next elections?

[Videnov] I do not think that this issue will really emerge before the cold months of the year. Regardless of how absurd it is, it appears that under the gravest winter conditions we will also have to resolve the gravest political problems. Perhaps there is a certain logic in this. I do not see new elections before next year.

[Khristova] If we ignore the configuration of forces in the parliament, do you think that the BSP is sufficiently strong and mature to assume the responsibility for power at this moment?

[Videnov] A large part of the local power is being exercised by the BSP. Many people, related to the BSP, occupy important posts in the administration. Their experience and assessment show that the necessary disposition and readiness to assume this responsibility exists and strengthens in the party.

[Khristova] With what processes in the party are you not satisfied?

[Videnov] The party and all other political forces concentrate too much effort in the central government—the parliament and the government—and relations among the leaderships of the political parties. A great sphere of life remains outside the politicians' attention. This is a sign of underdevelopment of the emerging civic society. Democracy is based on the social initiative of individual citizens, territorial communities, and professional groups which protect certain values.

[Khristova] This applies to every political force in Bulgaria. What does the BSP lack? What does it strive for? The word "change" has been floating for already three years. Has the party changed?

[Videnov] To a large degree we still lack ideological clarity, but this is a problem of leftist forces throughout the world. We lack the leading role of young people, the young way of thinking and the young people's style. The entire political life lacks all this.

[Khristova] Perhaps this is fortunate.

[Videnov] It is bad when youth perishes on the barricades or becomes the victim of the politicians' games. It is even worse when youth shuns politics and closes itself in a narrow circle, or even leaves the country. Such a society has no future. As far as the BSP is concerned, a really central problem for us is to get rid of the party-state leadership syndrome. The attitude toward power must be a political one. The BSP had the guaranteed power in its hands for so long that it turned into a purely technocrat entity. This is a primitive, rudimentary, and incomplete understanding of relations between the party and power. The greatest danger for Bulgarian society today is to remain in a rudimentary form, to be totally divided, or to be engulfed in nostalgia and confusion.

[Khristova] You constantly transfer the talk from the party to social life, but our society's characteristics are a result of the period when the party ruled, man was obliterated, and the political leaders ruled in an autonomous manner—completely detached from the people. This situation has not changed.

[Videnov] We could overcome this only with common efforts. The sense of helplessness is our society's problem today. Our society, including our party, experiences today the painful process of understanding that there are no magic solutions, or leaders who resolve problems with a magic wand.

## Trade Conference on EC Integration Opens

*AU1606050293 Sofia BTA in English 1326 GMT 15 Jun 93*

[Text] Sofia, June 15 (BTA)—An expert conference on the problems of the association agreement and the interim trade agreement between Bulgaria and the European Community on trade opened in Sofia today. It is organized by the Institute of International Relations with the assistance of the delegation of the EC Commission in Sofia, the president's Press Office informed.

Besides by Bulgarian specialists, the conference is attended by Denmark's Ambassador Klaus Otto Kappel in his capacity as EC representative and Thomas O'Sullivan, head of the EC Commission's delegation to Sofia.

Bulgarian President Zhelyu Zhelev sent his greetings to the participants in the conference.

The agreement on Bulgaria's association with the EC and the interim trade agreement are especially important from the point of view of Bulgaria's national interests and priorities, it is said in the message of greetings.

Dr. Zhelev stresses that one of the undoubted trends in Bulgaria's foreign policy is its orientation towards Europe. I hope that the work of the conference will be particularly useful as it will analyze a number of external factors and conditions considering them in the light of Bulgaria's internal economic and political development. The consensus on Bulgaria's integration with Europe is a necessity that presupposes increasing support for economic reforms and the commitment of all to the process of privatization, strengthening of parliamentary democracy and of the state institutions, normal and stable behaviour in political and social life, Dr. Zhelev says in the greeting.

### Havel Calls Ban on Dalai Lama 'Scandalous'

*AU1606143193 Prague CTK in English 2047 GMT 14 Jun 93*

[Text] Prague, June 14 (CTK)—Czech President Vaclav Havel told journalists today he considered a UN decision banning Tibet's Dalai Lama from participating in a UN sponsored conference in Vienna on human rights to be scandalous.

Havel said that if he were one of the Nobel Peace Prize winner attending the conference, he would have quit in open protest along with the others.

It is absurd for representatives of large groups of people such as the inhabitants of Tibet to be denied access to a conference on human rights, Havel said. By so doing, all discussion of some of the starkest human rights violations is effectively marred.

The Nobel Peace Prize winners who had been invited to Vienna by Austrian Foreign Minister Alois Mock boycotted the opening ceremony to protest the ban on the Dalai Lama's participation.

### Better Economic Results Possible This Year

*AU1606135993 Prague CTK in English 1542 GMT 14 Jun 93*

[Text] Prague, June 14 (CTK)—Minister of Economy Karel Dyba told journalists today he was optimistic that the Czech gross domestic production would be higher this year than in 1992.

Dyba said the positive development was evidenced by the country's low inflation rate, the lowering of the discount rate and a decrease in the number of large companies. He also said the process of privatization should be accelerated. He warned, however, that rising wages presented a danger. They could damage the competitiveness of Czech goods, he said, pointing to the low wages in Ukraine and Bulgaria. The low unemployment rate in some regions, especially in Prague, was also causing poor discipline at work, wage growth and a lack of qualified staff, Dyba said.

He added that another negative development was the lower number of foreign tourists, which could be traced to growing crime and bad services.

Recession in Western countries and the resulting wave of protectionism were further dangers as well, he concluded.

### ODA To Name Representative to Sudeten Talks

*AU1606163493 Prague CTK in English 0843 GMT 14 Jun 93*

[Text] Prague, June 14 (CTK)—The Civic Democratic Alliance (ODA) will delegate its representative to the commission scheduled to lead a dialogue with Sudeten Germans, ODA chairman Jan Kalvoda says in MLADA FRONTA DNES. The ODA's three government coalition partners, the Civic Democratic Party (ODS), the Christian Democratic Party (KDS) and the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL), have already taken this step. We have never challenged our participation in a working group to coordinate the coalition's foreign policy, Kalvoda stresses. But the coalition partners must discuss once more the working group's role and tasks, he adds.

Asked about relations between the government parties, Kalvoda says that they correspond to the (Czech) society's political and cultural maturity. It means the relations are not ideal, not idyllic. Some acts occurring within the coalition can be considered a lack of skill, and there is a certain tension as well. But I do not think the coalition is threatened in the near future, as there are many reasons for it to remain preserved, the daily quotes Kalvoda as underlining.

### Military Service To Be Reduced

*LD1506174493 Prague CTK in English 1524 GMT 15 Jun 93*

[Text] Prague, June 15 (CTK)—The Czech Parliament today passed a government amendment to the defence law which shortens basic military service from 18 to 12 months.

The amendment is to become valid as of July 29, 1993. Some 20,000 soldiers who will have served for one year by that time are to be released.

The adopted measure concerns both soldiers who are only to be called up and those currently serving in the Army, Defence Minister Antonin Baudys told the parliament today.

Under the new amendment, university graduates, who start their military service after July 28 are obliged to serve for eleven months in the Army. Specially trained university graduates will serve only nine months.

Baudys said that the adoption of comprehensive defence legislation, inlcuding a new defence law, is planned for the future.

### Commentary Views Economic Situation in Army

*AU1706122993 Prague TELEGRAF in Czech 12 Jun 93 p 3*

[Ferdinand Peroutka commentary: "One Problem Less?"]

[Text] Among all the totalitarian institutions, the army is the most orthodox in maintaining its inertia. In the post-November euphoria, we thought—Vaclav Havel and I—that we could even do without it altogether. The tough reality in a world with post- communist countries armed to the teeth has convinced us of the naivete of such a pacifist idea.

Slowly, and cautiously, the new command of the military monster began to put up with the red fossil in its bosom. Not a small amount of energy has to be spent on the civilized division of the army and weapons after the disintegration of the Czechoslovak state. It was the first signal that something more substantial should be done to the army when Defense Minister Antonin Baudys said in the spring that, this year, his sector has funds just to "survive"—despite the fact that some professional soldiers came to the understanding that they are not suitable for a democratic army (and left it voluntarily), and despite the fact that there is really no money left for modernization and the purchase of new weapons. The military air force, for instance, had to think about discarding some planes for the supply of spare parts.

In addition to principal questions regarding military doctrine—or our NATO membership—there are more prosaic questions, but no less urgent ones: How to fulfill the number of conscripts, in view of their preference for civilian service, and where to begin with the inevitable professionalization of the army.

It has become apparent that all considerations of the transformation of the military colossus into an adequately sized Western-style army must be based on the principle of reduction, since there is no big money in the state coffers. After the approval in the State Defense Committee, the first part of the "slimming diet" was declared—in case of the most numerous part of the army, the ground forces. From today's number of almost 43,000 men, almost one third will be cut, that is, over 14,000 soldiers. At the same time, the organization plan [organizacni schema] will be simplified, and the division structure [divizni struktura] will be transformed into a brigade structure [brigadni struktura], and the military commands West and Center will by replaced by two commands of army corps. In mid-1995, the Czech Republic ground forces will be composed of seven mechanized brigades of ground forces (four will be deployed in Bohemia and three in Moravia), one Rapid Deployment Brigade (deployed between Bohemia and Moravia) and 15 brigades of territorial defense troops (in peace times, it is expected that only their organizational centers will exist).

The statement by the Lieutenant Colonel K. Holub that, despite the fact that the Rapid Deployment Brigade (BRN) will have no craft or helicopters available, it will have parachute training, made a paradoxical impression. It can be doubted that the wheel-and-track technology, on which the BRN is supposed to be transported, would make it possible to deploy the troops quickly. Despite this, this concept was noted at the meeting of the government in Kolodeje, as well as the restructuring of the military air force and air defense. These two forces—as in the case of troops securing the activity of other troops (such as railway troops, for example) and troops subordinated to the center (communications, repair and research facilities)—will undoubtedly cut by one third, too.

Against this year's number, 110,000 men, the Czech Republic's Army should have only 65,000 soldiers within two year. Of these, however, according to Minister Baudys, one half should be professionalized. Details of the concept are classified, of course, and an applicable parliamentary committee will discuss them. It is a public secret, however, that, despite all the reductions in personnel, there is still a shortage of funds to modernize the equipment, not to speak of the so much desired compatibility with NATO. The training of professionals and their activity will become a larger burden to the state budget than conscripts with their "pay." No wander Klaus' cabinet has not expressed its approval of the financial aspect of the concept, despite the fact that "in this transitional period it would be possible to increase the funds allocated to the army," as the prime minister said.

Despite the fact that the first of the numerous group of problems seems to be basically solved, not only the economic ministers who are expected to search for the most proper connection between the military industry and the army, but also the finance and foreign ministers, who should find an economically feasible way to obtain access to modern Western equipment, will have their say in that matter.

## Meciar Interviewed on Personnel Changes

*LD1606203393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 16 Jun 93*

[Text] The Movement for a Democratic Slovakia [HZDS] deputies' club had talks until late last night in the Slovak parliament. Chairman Vladimir Meciar said at the end that the deputies had no reservations about yesterday's resignation of Minister Lubomir Dolgos, and he himself has no knowledge that some members would like to leave the club. Milan Velecky asked Prime Minister Vladimir Meciar how the HZDS deputies accepted the information of the intended personnel changes in the government:

[Begin recording] [Meciar] Essentially, we did not talk about the intended changes with the deputies. We discussed the results of the Saturday talks. They wanted more detailed information why there was such a viewpoint and how the problem arose. I granted them the information. I granted brief information about the course of the talks with the Slovak National Party and prerequisites of a possible agreement. This information, of course, was limited by our agreement with the Slovak National Party as to the extent of information.

So, changes in the government which are not supported by coalition arrangement would be premature at the moment.

[Velecky] How firm is the chair of Minister of Defense Imrich Andrejcak, when we remember that the demand of the Slovak National Party was that Imrich Andrejcak should not be defense minister?

[Meciar] At the government session today, I went twice around his chair and it looked fine.

[Velecky] Now for the post of the governor of the National Bank. You promised that the parliament would be discussing a proposal at its coming meeting. When will you introduce him to the other parties?

[Meciar] We are having talks about it with the Slovak National Party, above all. If we agree with it, we will jointly announce the result. He can be elected at the plenum and appointed by the president this month. [end recording]

## Kovac Speaks at UN Human Rights Conference

*AU1606142393 Prague CTK in English 1908 GMT 14 Jun 93*

[Text] Vienna, June 14 (CTK)—Respecting the rights of the numerous ethnic minorities living in Slovakia is a cornerstone of Slovak policy, the Austrian News Agency APA reported Slovak President Michal Kovac as having said today.

Speaking today at a United Nations Conference on Human Rights, Kovac said the Slovak Government was paying special attention to national and ethnic minorities. He said human freedoms in Slovakia were renewed after the fall of communism.

Kovac said that Slovakia respected the positive role of non-governmental organizations in the field of human rights. On behalf on his government he expressed Slovakia's readiness to participate in all activities aimed at protecting the rights of ethnic minorities.

## Visegrad Group Should Join EC Simultaneously

*LD1506220193 Prague CTK in English 1953 GMT 15 Jun 93*

[Text] Bratislava, June 15 (CTK)—The Czech and Slovak Republics as well as the remaining Visegrad group member states (Hungary and Poland) should integrate into European political structures, including the European Community (EC), simultaneously, Slovak President Michal Kovac said today.

He was speaking to journalists after a meeting with visiting European Parliament Chairman Egon Klepsch. Klepsch said that the European Community was not interested in holding separate talks with the Czech and Slovak Republics, but that it had had to start negotiating their association agreements with the EC anew after Czechoslovakia's dissolution.

Klepsch said that new talks should clarify whether or not conditions for both republics' integration into the EC have changed since the division of the federation. He said that the starting positions of neither of the two successor states to Czechoslovakia have changed.

### Iranian Foreign Minister Signs Cultural Accord

*LD1606183293 Tehran IRNA in English 1546 GMT 16 Jun 93*

[Text] Budapest, June 16, IRNA—Iran and Hungary inked a cultural, educational, scientific and technological exchange program, Wednesday at the end a visit here by Iranian Foreign Minister 'Ali Akbar Velayati.

According to the program, the two countries have agreed to cooperate in the fields of education, science, sports, arts, cinema, technology, research and mass media.

Iran and Hungary will each grant 10 scholarships to graduate and post-graduate students to study in such fields as social sciences, archeology, humanities, engineering, Islamic sciences and the Persian language.

Exchange of cultural delegations and athletic teams, and cooperation between radio, television and news agencies of the two countries are also included in the program which is valid for the years 1993 and 1994.

### Holds Talks With Antall

*LD1606173993 Budapest MTI in English 1622 GMT 16 Jun 93*

[Text] Budapest, June 16 (MTI)—Hungarian Prime Minister Jozsef Antall received Iranian Foreign Minister 'Ali Akbar Velayati on Wednesday.

The prime minister said Hungary is interested in developing relations with Iran. Concrete discussions were held concerning the building and renovation of power plants, bus deliveries and production cooperation, and the repayment schedule of Iranian debts.

The sides attached major importance to cultural and educational relations in which traditions are significant.

Foreign Minister Velayati presented a letter of invitation from Iranian President Rafsanjani to Prime Minister Antall, for a visit to Iran.

### Discusses Bosnia Issue With Jeszenszky

*LD1606205793 Budapest MTI in English 1510 GMT 16 Jun 93*

[Text] Budapest, June 16 (MTI)—Iran has taken a clear stand on the Bosnian conflict, it supports the country's full sovereignty and integrity and condemns Serb aggression against the innocent nations of Bosnia, Iranian Foreign Minister 'Ali Akbar Velayati told the press on Wednesday.

Velayati spoke after talks with Hungarian counterpart Geza Jeszenszky.

He added that in Tehran's view, the United Nations should be much more active. Unfortunately, UN efforts to end the destructive crisis in Bosnia have failed, he said.

Answering questions, Jeszenszky warned of attaching a religious character to the Bosnian conflict. He told Velayati it is a false view that the West's incompetence concerning Bosnia is due to the country being inhabited by Muslims, towards whom the West uses another standard. The sad truth, he said, is that the West has no direct interest in Bosnia, therefore, the general public in democratic countries does not support the idea of troops being sent to the region, fearing "they may come back in coffins."

The two ministers signed a bilateral cultural working plan, regulating scientific, educational, sports and cultural ties over the next two years.

### German President Weizsacker Arrives in Budapest

*LD1606103293 Budapest MTI in English 0929 GMT 16 Jun 93*

[Text] Budapest, June 16 (MTI)—Richard von Weizsacker, German Federal Republic president, came to Budapest on Wednesday for a festive session of the Collegium Budapest Institute today.

In Buda Castle at the institute entrance, Weizsacker was greeted by Hungarian President Arpad Goncz. The two presidents had a brief conversation with the 14 foreign scholarship-holders who have been hosted by Collegium Budapest since September 1992.

The celebration, closing year one of the institute set up with international support, will have guests from supporting countries and foundations, and eminent Hungarian scholars and scientists.

Hungarian Prime Minister Jozsef Antall will address the session in the presence of the German and Hungarian presidents.

In the afternoon, Weizsacker is scheduled to see Goncz and Antall at parliament for discussions.

### Holds Talks With President Goncz

*LD1606181093 Budapest MTI in English 1747 GMT 16 Jun 93*

[Text] Budapest, June 16 (MTI)—Germany will continue to support the implementation of Hungary's membership in the European Community, and for Hungary to receive the security and sense of security which it justly lays claim to, German President Richard von Weizsacker said on Wednesday.

The German president spoke to journalists following his meeting with Hungarian President Arpad Goncz.

Weizsacker voiced the hope that the position represented by Germany would find support at the upcoming EC summit, and that a clear perspective would thus be outlined regarding Hungary's membership.

President Goncz added that the talks had convinced him that the German position has not changed towards Hungary, and that Hungary can count on Germany's assistance in the course of integration into the EC.

President Weizsacker assured the Hungarians of his respect for the manner with which the country is struggling to overcome its difficulties, and how it finds exemplary answers to the challenges posed by a social market economy and pluralist democracy.

The German president expressed appreciation for the Collegium Budapest. The purpose of Weizsacker's visit was to attend the opening of the collegium.

The presidents also discussed the Yugoslav civil war and were in agreement about its evaluation. President Goncz said at the press conference that ending the war, or preventing its spread to other areas, as well as ensuring the human and minority rights of all nationalities concerned, are common interests.

Early Wednesday evening, Richard Von Weizsacker held a private meeting for more than an hour with Hungarian Prime Minister Jozsef Antall in his office. Weizsacker then met Hungarian-German representatives.

### Meets With Prime Minister Antall

*LD1606222793 Budapest MTI in English 1811 GMT 16 Jun 93*

[Text] Budapest, June 16 (MTI)—Hungarian Prime Minister Jozsef Antall held an hour-long, private meeting with German Federal President Richard von Weizsacker on Wednesday.

Almost all major international political issues were raised during the meeting, with particular emphasis on the former Yugoslavia, Russia and Ukraine.

Antall and Weizsacker evaluated the situation of the European Community, and analyzed regional problems in detail.

The matter of transformation, and its political and economic consequences, were stressed.

Discussions were also held about the most important aspects of bilateral relations, as well as details concerning the home political situation of the two countries, taking into consideration the fact that elections are scheduled to be held in 1994 in both Hungary and the Federal Republic of Germany.

German President Richard von Weizsacker left Budapest on Wednesday evening.

### Jeszenszky Discusses Human Rights Conference

*AU1606091993 Budapest NEPSZABADSAG in Hungarian 14 Jun 93 p 9*

[Unattributed report on interview with Foreign Minister Geza Jeszenszky; place and date not given: "The Infringement of Lawful Rights Cannot Be Internal Affairs"]

[Text] To what extent will the UN World Conference in Vienna be able to further the human rights situation? We asked Foreign Minister Geza Jeszenszky, the head of the Hungarian delegation to the World Conference on Human Rights in Vienna.

Jeszenszky said that human rights, basic freedoms, and national minority rights represent one of the driving forces of the historical changes currently under way in the world. As the most comprehensive multilateral conference, the United Nations has a serious responsibility in asserting these rights and guaranteeing their international protection.

The World Conference is promising to be primarily a debate forum, because decisions regarding the human rights are made in other UN bodies. In connection with this, I hope that the conference will strengthen the realization of the fact that the protection of human rights is both the right and obligation of the international community. Violations of human rights and national minority rights continue to worry us very much.

Hungary and the Hungarians have always claimed that the infringement of lawful rights cannot represent the internal affairs of a given state. This Hungarian position is fully in harmony with the concept of Western democracies. It is unfortunate that there are still countries in the world who think that the issue of human rights or the issue of national minorities is an untouchable internal affair.

Asked about which part of the broad issue of human rights does the Hungarian diplomacy intend to focus on at the Vienna conference, Jeszenszky said that, from the first moment of taking office, the Hungarian Government has been treating the international protection of human rights as a foreign policy priority.

The issue of adequate forms of national minority protection has a special importance for our delegation at the conference. I can conclude with satisfaction that the majority of the world's countries have realized that the unsettled issue of national minorities represents a serious danger to international security and especially to stability in Europe. Aware of the international experiences, the community of states should now advance in the area of national minority protection guarantees and comprehensive international legal norms.

### Slovene Border Crossings Blocked by Farmers

*LD1706105693 Budapest MTI in English 1014 GMT 17 Jun 93*

[Text] Budapest, June 17 (MTI)—Road traffic has been suspended at Redics and Bajansenye on the Slovenian border for the third day since the blocking of access roads to both crossings by Slovenian farmers demanding an increase in state purchase prices, Colonel Attila Krisan, spokesman of the Hungarian Border Guard, told MTI today. At Redics, however, 14 trucks carrying live sheep, cattle and horses to Italy were allowed to cross the border last night. A further 30 trucks loaded with livestock are still waiting for entry into Slovenia, he said.

At Redics, over 340 trucks have queued up in a 5-km line on road no. 86. Since little hope exists for the lifting of the Slovenian blockade, the Hungarian border guard proposes that drivers should make a detour. At Letenye, the closest Hungarian-Croatian border station, there is a ten hour wait.

### Walesa May Introduce 'Presidential Scheme'

*LD1606192493 Warsaw TVP Television First Program Network in Polish 1730 GMT 16 Jun 93*

[Report by correspondent P. Jazwinski; relayed by TV Polonia Network; passages within quotation marks recorded]

[Text] [Announcer] At the First Congress of Local Self-Government President Lech Walesa suggested to self-government activists that they should support, as he put it, a non-party accord for Polish reforms. The delegates have not adopted any resolutions, however. Both the president and Prime Minister Hanna Suchocka view self-governments as a serious and stable partner.

[Jazwinski] More than 2,000 chairmen of parish councils, mayors, and village elders have taken part in the congress. The president said self-governments were a school of democracy within which a capital of professional knowledge and responsibility has been amassed.

[Walesa] "Self-governments stabilize the state and promote efficient administration of public affairs."

[Jazwinski] Lech Walesa suggested to the self-government activists that setting up before the elections a non-party accord, with the participation of self-government representatives, could be a recipe for efficient state administration and an effective parliament. The president did not use the name Non-Party Bloc for Supporting Reforms [BBWR].

[Walesa] "If once again the president's idea is not used, we are going to reproduce what we have had, that is a short-lifespan parliament. Then, I will have to do that about which I have spoken many times, that is a presidential scheme. I would not like to do that; I am a democrat."

[Jazwinski] The president's proposal did not get unequivocal support from the delegates to the congress.

[Hilary Modelski, mayor of Lwowek Slaski, identified by caption] "Self-government activists are a relatively stable, as it were, layer, perhaps not political but social, which would constitute a fairly stable, or lasting, representation in parliament."

[Tomasz Lipinski, chairman of Siedlce Voivodship Self-Government Sejmik, identified by caption] "The idea to set this up could succeed and score a success in these elections, but by the nature of its essence, that is because it would be a mishmash of many parties, programs, and even nonparty members, in long term it would not be a solution for Poland's most important issues."

[Jazwinski] Nearly 2,500 self-governments operate in Poland, in which more than 50,000 councillors work. They are constrained by the imperfect law, too much central administration influence on local life, and unclear separation of competences between various local authority cells. Self-government reform on which the government is working should mean, according to Prime Minister Hanna Suchocka, a quick transfer of some power and money concentrated in Warsaw to the local communities.

[Suchocka] "Increasing the powers has to go together with increasing the sources of financing for self-governments; otherwise, this will remain suspended in a vacuum."

[Jazwinski] Self-governments want to take over from the government its employer entitlements toward the public sector—doctors, teachers, and policemen. They will be striving to set up a strong nationwide self-government representation with the right to propose legislation.

### Suchocka Comments on Local Government Reform

*LD1606162893 Warsaw PAP in English 1216 GMT 16 Jun 93*

[Text] Warsaw, June 16—The government will initiate preparations for drawing up legal regulations connected with the second phase in the local government reform, Prime Minister Hanna Suchocka said at the first congress of local government bodies that began in Warsaw on Wednesday. The work on the reform has been disrupted due to the dissolution of parliament.

Local government is an important partner in governing the country, Suchocka stressed in her address adding that the cooperation must be extended after the second part of the reform is implemented.

According to Suchocka, local governments should also have a greater say in establishing borders of counties (powiaty), new administrative units.

### Minister Bans Meetings Between Army, Politicians

*LD1606223593 Warsaw PAP in English 1821 GMT 16 Jun 93*

[Text] Warsaw, June 16—Minister of Defence Janusz Onyszkiewicz on his arrival from an official visit to Lithuania on Wednesday said that there will be no further meetings with politicians in the Army.

Onyszkiewicz recalled his instructions which ban campaigning at military units and other institutions subordinate to the Ministry of Defence.

Onyszkiewicz's statement follows a meeting between officers of the general staff and Leszek Moczulski, leader of the Confederation for an Independent Poland (KPN) held at the Defence Ministry's conference centre on June 8. Separate meetings were also held with Zbigniew Bujak of the Union of Labour and Antoni Macierewicz, former internal affairs minister.

Minister Onyszkiewicz told newsmen that he was not aware of plans for such meetings.

Three days after the meeting with Moczulski, spokesman for the Defence Ministry Leszek Ziolo announced that "...the matter is under investigation, and if this confirms that the organizers of the meeting acted in bad faith, the minister of defence is prepared to take disciplinary measures."

### Trade Minister Explains Decline in Exports

*AU1606140393 Warsaw NOWA EUROPA (Weekend Supplement) in Polish 11-13 Jun 93 p 1*

[Interview with Foreign Trade Minister Andrzej Arendarski by With Gadomski; place and date not given: "Small Money for Good Promotion"]

[Excerpts] [Gadomski] Why have exports fallen over the past six months?

[Arendarski] There are several reasons. Measures implemented over the past few years, such as a demonopolization of foreign trade and favorable foreign currency exchange rates, have already exhausted their possibilities. The limited absorptive power of the market has forced producers to seek foreign markets at all costs. This factor loses its importance as domestic demand increases. Exports of some groups of commodities have become unprofitable, and the exchange rate cannot keep pace with inflation. Another reason for a fall or stagnation of exports is the weak effort to promote our goods. Someone once uttered a banal truth that is, unfortunately, quite appropriate; namely because there are a lot of cheap and good products in the world, we must pay a price to make people buy our goods. We do not have any institutions dealing with the marketing and promotion of Polish goods in the world, and the funds we have for this purpose are very modest. Neither do we have institutions that support exports by means of credits or credit guarantees, like the German HERMES or French COFACE. Another thing is that not all producers are concerned about improving the quality and competitiveness of their products, and therefore we are being barred from many markets. There are also external reasons, such as difficult access to Western markets, especially the EC and United States, because of the barriers imposed there. [passage omitted]

[Gadomski] It would appear that Polish foreign trade is facing serious problems. On the one hand, resources for promoting our goods are meager and, on the other, the less-than-honest competition put up by our richer partners is closing off markets to us. Even so, can we expect a boost in exports next year?

[Arendarski] We have prepared a document that sets out fairly precisely the measures to be taken to boost exports. I am convinced that exports may and should be the piston of the economy. Toward the end of June we will recommend exactly what legal, financial, and organizational instruments should be brought into operation to put our economy onto a permanent path of exports. The document will also define the principles of foreign trade policy.

### KPN Leader on SLD Suit, Elections

*WS1606101593 Warsaw Radio Zet in Polish 0615 GMT 16 Jun 93*

[Studio interview with Confederation of Independent Poland, KPN, Chairman Leszek Moczulski by program moderator Andrzej Woyciechowski; from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] You have begun a vigorous election campaign. For two days, all the newspapers have been full of Moczulski. They have been mentioning your name, either in the context of the action brought against you by the Alliance of Democratic Left [SLD] or in the context of your meetings with officers.

[Moczulski] Fear has large eyes. It was rather someone else who started my election campaign.

[Woyciechowski] This SLD suit: Would you remind us of the details? We have forgotten them.

[Moczulski] At the end of January, I think it was on 31 January or 1 February 1992, there was a Sejm debate on martial law in Poland. A group of deputies, mostly SLD members but also some others, came forward with a glorification of martial law. They did not defend it; they glorified it—they glorified all those more and less brutal crimes. This attack on society was made from leftist positions. They were saying: We, the leftists, consider that.... [pauses] I am far from being a leftist politician. However, I reacted very resolutely. I said: Gentlemen, you are defending martial law not as leftists, even if you think that you are leftists. When tanks are put in the streets and ordered to fire at people, it is a crime. I said: If you care about terminology, you are not leftists, you come from the Polish United Workers Party [PZPR]. The PZPR, no matter how many millions of different people it consolidated, is the abbreviation for Paid Traitors and Russia's Servants. They felt themselves being hurt. In my speech, I quoted two people who had been PZPR members and who managed to cut themselves off from national treason and all this subordination to Russia. I named one of them, Andrzej Slowik, who behaved like a hero in PZPR prisons. They felt hurt then. Their first reaction was very emotional....

[Woyciechowski, interrupting] Because you were speaking emotionally, too. You were irritated. Can a politician be irritated in the Sejm?

[Moczulski] Maybe a politician should not become irritated. However, there are certain things that enrage me. I can react quietly to political matters, but I react very uneasily to things that are ugly from a moral standpoint. When I deal with nasty things, with ill-treatment of people and scorn, then I respond very emotionally. I also responded emotionally much later, when Alojzy Pietrzyk, a good miner and quite a diligent deputy, spoke in the Sejm and furnished a very apt quotation of Cicero.

When he said: "Let me quote Cicero," half of the session hall burst into laughter. It was like a slap on the face for me. We cannot...

[Woyciechowski, interrupting] ...laugh at people just because they are miners, workers....

[Moczulski] I respond very emotionally to these things.

[Woyciechowski] Why did the SLD deputies react so violently? This interpretation of the PZPR abbreviation is known to every child in Poland.

[Moczulski] Perhaps not to every PZPR child. Children of PZPR activists and Stalinists did not write these things on the walls.

[Woyciechowski] The trial was postponed yesterday due to formal impropriety. What was meant by this?

[Moczulski] Something else happened. Their first reaction was very emotional. Then, they calmed down, thought the whole thing over, and decided that this trial will be a good instrument of a political campaign.

[Woyciechowski] Good for the SLD or the KPN?

[Moczulski] For the SLD. They are the masters of the trial; and we are the passive side. In order to start the trial, they need a piece of evidence; namely, an official Sejm protocol, while they have presented press articles or some other notes; I am not sure. The court, though, is demanding....

[Woyciechowski, interrupting] It means that there is no proof that you really said this.

[Moczulski] They had been deferring the presentation of this evidence for over a year and they submitted it to the court as late as 7 June, right after the parliament's dissolution and the beginning of the election campaign. I think that their calculation is simple—social democracy needs a successful campaign. I used the term Paid Traitors, Russia's Servants. I used it....

[Woyciechowski, interrupting] Are you afraid of the trial?

[Moczulski] I am not afraid of the trial. I might as well lose it. I have lost trials before, and I have been judged innocent after a review by the Revision Committee. I also spoke of Paid Traitors and Russia's Servants, but it was much more grave then and directed against people who were at power. I was sentenced to seven years in prison then. How much can I get now? Two weeks? For me it's just a ... [pauses] you know. I will get some sleep. They are probably counting on this. They might use a simplified approach and say: Let Mr. Moczulski prove that I was paid for selling out Poland. Even if I manage to prove that he was involved in some sort of treacherous act, I will not be able to prove that he received money for this. Moreover, I know that the majority of deputies who are now suing me was never paid for this kind of activity. Leszek Miller borrowed money, and did not received it. He also paid it back, right? Thus, it is hard to say whether he was paid; he was probably just a debtor. Then—they think—Moczulski will be sentenced and social democracy will win a victory. I will let them win this kind of victory.

[Woyciechowski] There is another thing that raises emotions: You meet with officers, even though you know that you are not supposed to.

[Moczulski] When Defense Minister Onyszkiewicz comes back from one of his many frequent visits abroad on Thursday, I will be trying to call him up and ask him what this whole thing is all about. I thought that Mr. Onyszkiewicz was on top of all events happening in the Defense Ministry. The General Staff leadership has been meeting with leaders of different political parties for many months now. They also invite other politicians that represent any interest to them, such as Foreign Minister Skubiszewski, for instance. The list that I was given also includes Tadeusz Mazowiecki, leader of the UD [Democratic Union] and myself. They just want to know the viewpoints of all the party heads on military defense issues. As for the KPN, we are the only party that has crafted a detailed plan—with which the military is very well familiar, after all—on reforming the Armed Forces. This was one of the topics addressed by those meetings. I suppose that Mr. Onyszkiewicz did know about them—otherwise, it would be a strange thing for a defense minister to hear nothing of the meetings with politicians that are held for several months.

[Woyciechowski] Are there many KPN supporters among the high-ranking officers?

[Moczulski] In my opinion, politics is alien to professional soldiers. They must fulfill orders of the politicians, because every Army must fulfill orders of the government, which is a political institution. Besides, just like the much-loathed Main Political Directorate [GZP WP] of the Polish Army in the past, the professional servicemen now do not like—which I am sure would not be an exaggeration to say—the newly-minted Educational and Social Department. These people are seen as politicians in uniform.

[Woyciechowski] Do you think that the Army should be politically neutral?

[Moczulski] It must be so. This was one of the basic things with which I started my little lecture for those several generals and two or three dozens of colonels. The military must be political neutral, disciplined, and controlled by the government, the president, and the defense minister with only one purpose: to defend the state against external—let me stress it—external threats.

[Woyciechowski] Can you positively state that you did not attempt to talk the generals into voting for the KPN at that meeting?

[Moczulski] Of course I did not—if only because generals and colonels are old enough to have developed their personal convictions.

[Woyciechowski] How many legislative seats will the KPN win in the election? Do you think there will be more of them than right now?

[Moczulski] Of course more. This election will be overwhelmed by four parties—the KPN, UD, PSL [Polish Peasant Party], and the SLD.

[Woyciechowski] If they receive an equal number of Sejm seats, will those parties manage to form a coalition?

[Moczulski] Yes. The presence of these four can be beneficial to the state.

[Woyciechowski] But what kind of coalition may they create?

[Moczulski] A good thing is also that only four deputies would present in great detail their parties' position on legislation debated in the Sejm. In the past, the time for debate was divided between 18 groupings.

[Woyciechowski] Yes, but will the next Sejm be able to forge a coalition government?

[Moczulski] President Walesa fears that the legislature might include 10 or even 12 parties. I do not think this is likely to happen.

[Woyciechowski] Suppose these four parties make their way to the legislature. With whom will the KPN form a government?

[Moczulski] In case all four obtain the same number of mandates—the worst outcome for forming a majority government—two blocs will emerge then, each having half the legislative seats. The first bloc would embrace the KPN and the PSL, with which we are very close and have good understanding; while the UD, whether it wants it or not, will ally with the SLD. If this is actually the case, we would try to convince deputies from the opposite bloc...

[Woyciechowski, interrupting] To convince means to buy them off, right?

[Moczulski] No, we would convince them with the help of political arguments, pointing to the interests of the Polish Republic, etc. Buying votes is one the dumbest methods—a bribed deputy might demand more and eventually end up in jail.

[Woyciechowski] Among the successful four parties you have not mentioned the BBWR [Non-Party Bloc for Supporting Reforms].

[Moczulski] Yes, this the fifth party that stands some chance, because the president still has a high reputation—no matter what the weekly WPROST reported recently, showing President Walesa with only a 20-percent approval rating. I think that he is more popular than that.

[Woyciechowski] From which party will the BBWR poach the votes?

[Moczulski] We do not know whether it will be actually created, or in which direction it will go. But we think that this is the party of the wealthiest people. Most generally, this party united the people who have become successful over the past four years, and who have a lot of money.

[Woyciechowski] But which parties will the BBWR take votes from?

[Moczulski] The KPN is a party of people who struggle with difficult conditions.

[Woyciechowski] In other words, people who have not become successful?

[Moczulski] No, those people who, being a part of the giant State wheel, want to work honestly and stand up against institutions that despise the ordinary man in their programs. Our party includes the unemployed, mid-level entrepreneurs working on the verge of profitability, and other who barely make ends meet: health-care workers, teachers, pensioners, employees of large state-run enterprises, etc.

[Woyciechowski, interrupting] From what parties will the BBWR take their votes?

[Moczulski] First of all, it will take votes from the KLD [Liberal Democratic Congress]. It will also take the KLD's money—and then we'll see what it's worth without the money. The other such party is the UD, which altered its position so abruptly. This party governs extremely poorly. In fact, people pay them for not being governed properly. With the BBWR entering the political scene, the UD will desperately need some party to ally itself with, breaking its previous promises. This might be even the ZChN [laughs], but I would not cry over this.

### Army Denies Alleged Agreement for NATO Bases

*AU1506093193 Bucharest Radio Romania Network in Romanian 1700 GMT 14 Jun 93*

[Text] In connection with a news item published in today's press, 14 June, according to which the chief of staff of the Romanian Army [Dumitru Cioflina] had allegedly informed the U.S. military leadership of Romania's unconditional readiness to accept the setting up of NATO bases on our country's territory, the Army Press Bureau made the following specifications to the ROMPRES news agency, quote: The Romanian military delegation that visited the United States recently did not have the mandate for, nor did it discuss, such an issue with the American side.

At the same time, we specify that there is no Romanian military source that would have provided such false news, the Army Press Bureau emphasized.

### Lists of Companies Supplying Arms to FRY

*AU1606150593 Bucharest ROMANIA LIBERA in Romanian 10 Jun 93 p 1*

[Vladimir Alexe article: "While the Romanians Are Guarding the Danube, European Firms Are Trading Arms in the Balkan Conflict"]

[Text] For the firms that produce weapons and military equipment or are just in the business of trading arms, the conflict in the former Yugoslavia seems to represent a true manna from heaven as far as business is concerned. This goes so far that it is difficult to tell whether this conflict is stimulating the arms business or, on the contrary, the conflict is stimulated because it brings profit to arms dealers in several countries. It is true that it would not be the first time in the very recent history when the interest of selling arms—as many as possible—brings about the perpetuation of certain bloody local conflicts. Obviously, this involves certain risks! Here is the list of the countries and firms that are "specialized" in the arms trade for the countries of the former Yugoslavia, namely Slovenia, Bosnia-Herzegovina, and Croatia.

We believe that the number of those affairs is not very low. Meanwhile the Romanians are guarding the Danube.

AUSTRIA: AEOM Vienna; G.R. Handels Gesselschaft, Vienna; Rita Draksler; Industry Enterplait; Kaltenburg; MEIZ; Gebrider Scholler GmbH; Atlantic, Graz; Hurtenberg; Scorpion International Services SA; Handil International Ltd. Consulting; WEBA, Graz; SBSZ Vienna; EXP-IMP, Vienna; DKS Vienna; Tomasek Import-Export Transit, Graz; RAS, Vienna; Hirlenberg; Rotsler; Voere- sportwaffen; Global Consulting; Konsulate; WolfWien; Heinz Baumann; Furst Norbert; Sigfrid Wanka; Geoplan MBH; Invest VSD, Vienna; Burgrade-Astra, Vienna.

GERMANY: Imhausen AG; Denoro Technik; Vaterstelten; Faba, Foga, Nuremberg; Franconia-JA6D, Munich; Global Trade, Munich; Wolfgang; Helling, Munich; Electronic Equipment; Fheinsthal; Heckler and Koch MBB; Messerschmidt; Volkov Pilotsi; Kraus- Maffai; NATO-schop, Munich; DIEL, Nuremberg; Deutsch Bank; Dresdner Bank AG, Darmstadt.

SWITZERLAND: Industrievertretumgen, Zurich; Rampuint SA, Geneva; Luxik; Eurotrade; Dono; Grambaumontage.

ITALY: Kesser Italiana; Petro Beretta; Fanelli, Triest; Gibex, Mondena; Immoterra AG International.

GREAT BRITAIN: Ostenday; Racal, London; Prestige; Commerce Internatioal Group Ltd; Atlas Enterprises.

SWEDEN: Renta Saff; Alex Impex Sweden; BSM.

SPAIN: Falken SA Madrid.

THE NETHERLANDS: Seco-Import-Export.

NORWAY: Pluton International Trading Co, Oslo.

HUNGARY: Technika Foreign Trading Co, Budpest; Technika, Budapest; Universum SD, Budapest; Inex Trade Budapest.

POLAND: Cenzin; Agrowars; Danex; Bumar Labedi; Dausus, Gdansk.

CZECHOSLOVAKIA [as published]: Omnipol, Prague; CSAD, Prague; Kovosrot, Bratislava; Intex; Knorimpex, Pilsen; Altro GmbH, Bratislava.

BULGARIA: Kintex, Sofia; Technika, Sofia.

EGYPT: Akcaicraft, Cairo (Baghdad, Istanbul, and Moenchengladbach).

Thus, while Romania is losing because of the embargo, others—as one can see from the above list—are winning billions precisely as a result of it.

### Iliescu Sees Union Merger as Positive

*AU1506174793 Bucharest ROMPRES in English 1512 GMT 15 Jun 93*

[Text] Bucharest ROMPRES, 15/6/1993—In a message to Victor Ciorbea and Miron Mitrea, leaders of the CNSRL-Fratia Union confederation, formed by the merger of the CNSRL [National Confederation of Romania's Free Trade Unions], Fratia, and Univers confederations and the Petro and Radiocomunicatii [Radio Communications] union federations, Romanian President Ion Iliescu mentioned that this merging was "a positive and encouraging fact, contributing to the stepping up and reorganization of the union movement, and that representative, strong dialogue partners are thus favored to appear."

President Iliescu mentioned that in a period of great difficulties—production drop, inflation and unemployment growth—unions should do more than just defend the interests of their members as far as salaries are concerned, they should contribute to seeking solutions for the issues Romania is faced with, which are neither few nor simple.

### Melescanu, CSCE Official Discuss Dniester

*AU1506190193 Bucharest ROMPRES in English 1533 GMT 15 Jun 93*

[Text] Bucharest ROMPRES, 15/6/1993—The main theme of the June 15 meeting between Romania's Foreign Minister Teodor Melescanu and Williams Timothy, the chief of the mission for Moldova of the Conference for Security and Cooperation in Europe [CSCE], was the possibilities to settle the situation in the Dniester region.

During the interview, Foreign Minister Melescanu showed that Romania assigned a special importance to this CSCE mission as Romania was among the states which had encouraged this idea even when the four-party mechanism—formed by representatives of the Republic of Moldova, Russia, Ukraine, and Romania—was functioning.

The chief of the Romanian diplomacy expressed his hope that the CSCE mission would be able to offer suggestions for the settlement of the problems on the left bank of the Dniester river and of the difficulties which confronted the Republic of Moldova in general, suggestions meant to contribute to the maintenance and consolidation of the territorial integrity, sovereignty, and independence of the Republic of Moldova. Minister Melescanu explained Romania's official position, namely support for this purpose by tightening the economic and cultural relations with the Republic of Moldova, while the existence of a common future in an integrated Europe was not excluded.

In a statement at the end of the meeting, Williams Timothy showed that his visit in Bucharest was a fundamental part of CSCE mission's mandate, after the previous visits to Kiev and Moscow. We intend to investigate on both banks of the Dniester and to bring our contribution to the security of the population and to the withdrawal of the foreign troops, Williams Timothy said.

Referring to the four-party mechanism, the CSCE official said it still existed and he hoped that shortly, if not immediately, it could be re-actuated. Timothy added that he believed it was very useful for Russia and Romania to discuss, and for the population to understand, that the two countries must live in peace, local conflicts being senseless.

### PAC Rejects Factions Within Party

*AU1606152193 Bucharest ROMPRES in English 1033 GMT 16 Jun 93*

[Text] Bucharest, ROMPRES, 16/6/1993—"The National Committee of the Civic Alliance Party [PAC] does not recognize the existence inside the PAC of a civic-liberal group or of any other fraction at that. The National Committee has decided to take steps of sanctioning the PAC members who, by further claiming to belong to such unstatutory fractions or groups, will organize actions, make statements or issue releases damaging the party's unity", reads a communique of the Civic Alliance Party which is on the Democratic Convention coalition of opposition. Published in daily COTIDIANUL, the communique refers to the intention of the civic-liberal group inside the PAC to merge with the National Liberal Party that withdrew from the Democratic Convention before the parliamentary elections.

Commenting on the significance of that decision, daily CURIERUL NATIONAL assesses: "the decision made against the civic-liberal group means that the PAC is not a neo-liberal party but one of personal interests, on the one hand, and that its current statute gives absolute powers to the persons and leading fora that are under the influence of the party's president, Nicolae Manolescu, on the other hand." (after that communique, Stelian Tanase, one of the leaders of the civic-liberal group and former vice-president of the party, who had resigned his office at the Timisoara Congress of the PAC, stated he would quit the party altogether).

### Ecology Movement, National Ecologist Party Merge

*AU1606122093 Bucharest ROMPRES in English 0837 GMT 16 Jun 93*

[Text] Bucharest, ROMPRES, 16/6/1993—Romanian Ecology Movement has elected a new leadership hoping to get the party out of the crisis.

On Sunday [13 June], the idea of ecologist in Romania was given another chance under the impact of some young ecologists decided to change once and for all the destiny of a party facing difficulties: the Romanian Ecology Movement, runs a commentary in the Tuesday issue of the daily MERIDIAN. The extraordinary congress held in Bucharest over 12-13 June has proved that the ecology movement is still a potential force of the Romanian political scene even if after serious mistakes which marked the first two years of its existence it presently holds no seat in parliament.

Representatives of the 120 territorial branches and of Bucharest organizations have elected and validated the merger between the Romanian Ecology Movement and the National Ecologist Party, which in the opinion of observers is opening the way for a unification of the entire ecologist movement in Romania.

The Romanian Ecology Movement elected businessman Eduard-Victor Gugui as president of the party and Academician Ioan Melescu as honorary president of that party.

**Foreign Media Bulletin: Balkan Crisis 17 June**

*WA1706170093*

*The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.*

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## SUMMARY

***Croatian, Serbian presidents propose modifications to Vance-Owen plan during Geneva peace talks ... Muslim offensive in central Bosnia reportedly continues ... UN military observers reach Gorazde ... Serbian Assembly debates motion of no-confidence in Serbian Government ... FRY Government denounces expulsion from GATT.***

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## DIPLOMATIC

WARRING SIDES HOLD PEACE TALKS (TANJUG, Sarajevo Radio, Zagreb Radio): Bosnian President Izetbegovic, Croatian President Tudjman, Serbian President Milosevic, Bosnian Serb leader Karadzic hold peace talks in Geneva. Tudjman, Milosevic propose replacing ten provinces in Vance-Owen plan with plan dividing country into three regions, one for each ethnic group. Sarajevo Radio reports Izetbegovic "walked out" of talks because of reports of continued Serbian shelling of Gorazde. Milosevic, Tudjman deny occurence of walkout but admit Izetbegovic had "some reservations" with their proposal. (LD1606224493, LD16O6211493, LD1606204993)

## MILITARY

MUSLIMS CONTINUE OFFENSIVE (TANJUG, AFP): Muslim forces reportedly drive Croatian forces from Kakanj, moving toward Croatian-held Novi Travnik. TANJUG reports "endless column" of Croatian refugees fleeing from area. (LD1606140193, AU1606162393)

UN OBSERVERS REACH GORAZDE (AFP, Sarajevo Radio): Eight-man team of UN military observers reach Gorazde. Sarajevo Radio reports Serbian attack on town has stopped but "sporadic shelling" of surrounding villages continuing. (AU1606185593, AU1706124693,

## POLITICAL

SERBS DEBATE NO-CONFIDENCE MOTION (Belgrade Radio): Serbian Assembly debates no-confidence motion brought against Serbian Government by opposition Serbian Renewal Movement deputies. Serbian Prime Minister defends government, points to international sanctions and war in Bosnia as factors hindering government's economic program. (AU1706103493)

MACEDONIA DENIES ARMY SEIZED TOWN (TANJUG): Macedonian Interior Ministry denies assertion by local Skopje official that Yugoslav Army seized part of Macedonian border village. Ministry says part of village populated by ethnic Albanians actually lies in FRY territory, contends Army "only questioned villagers who were trying to illegally cross" Serbian-Macedonian border. (LD1606201393)

## SANCTIONS

FRY PROTESTS EXPULSION FROM GATT (TANJUG): FRY Government expresses "indignation" over expulsion from General Agreement on Tariffs and Trade (GATT). Government says it will "continue to fulfill its obligations" toward GATT, urges decision be reconsidered. (LD1606205293)

### Tudjman Announces Plan To Form 3 Separate States

*AU1606182993 Paris AFP in English 1816 GMT 16 Jun 93*

[Text] GENEVA, June 16 (AFP)—Serbs and Croats will propose that Bosnia-Herzegovina be carved up into three constituent states, Croatian President Franjo Tudjman announced at peace talks here Wednesday.

Tudjman said that Bosnian President Alija Izetbegovic, who walked out of the talks earlier to protest against a continuing Serb offensive against the eastern town of Gorazde, would consult with the leaders of his Moslem-dominated government before giving a response to the plan.

Tudjman said the talks had been suspended until next week.

### Izetbegovic Requests Lifting of Arms Embargo

*AU1706113593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 17 Jun 93*

[Text] Alija Izetbegovic, president of Bosnia-Herzegovina Presidency, paid an official visit to Bonn today. He started his day with an early meeting with German Chancellor Helmut Kohl and German Foreign Minister Klaus Kinkel. Here is a report by our special correspondent Mufid Memija:

[Begin Memija recording] President Izetbegovic informed his hosts about the meeting that he had with Serbian and Croatian Presidents Milosevic and Tudjman, in Geneva yesterday which, as it is known, took place under the direction of Mr. Owen and Mr. Stoltenberg, the cochairmen of the conference on the former Yugoslavia.

Mr. Izetbegovic informed Mr. Kohl that he was shocked, primarily, by the proposal of the Serbian president, who proposed the confederalization of Bosnia-Herzegovina, by which the conquests, that is to say ethnic cleansing, would be de facto recognized as an accomplished fact and the crime, in a way, legalized, which Bosnia-Herzegovina and [words indistinct], naturally, cannot agree to.

The criticism of this concept, which [words indistinct] cochairmen of the conference on the former Yugoslavia, Owen and Stoltenberg, yesterday, amount to the fact that a sort of peace was being proposed at the time when Gorazde was being destroyed, tens of people brutally killed, while tens of thousands of people were facing the worst possible fate—slaughter.

The president of the Bosnia-Herzegovina Presidency directly [word indistinct] German Chancellor that Bosnia-Herzegovina demands that the arms embargo be lifted in an official manner. Namely, we only need a limited amount of defensive arms in order to defend ourselves. The arms are the only way to save the people who have remained, the only way to bring the aggressor to his senses, as all the efforts of the international community have, so far, proved to be futile.

At the news conference that ensued and in a special interview for the second German (?television) network, President Izetbegovic, upon replying to a question concerning the positions of the Serbian and the Croatian states toward Bosnia, made a clear distinction between Belgrade's and Zagreb's positions. They are, naturally, not the same. One is pronouncedly aggressive and expansionist toward Bosnia-Herzegovina, while the other, that is, the Croatian, is currently being conducted by the extremists, but is definitely not in the interest of the Croatian people or the Croatian state and as such does not represent a historic and a strategic determination of either the Croatian nation or the Croatian state.

At the news conference that is currently underway in the central press [word indistinct] in Bonn, Mr. Izetbegovic, in a reply to a question, assessed that Bosnia-Herzegovina is currently facing the fate of Lebanon if the international community does not intervene. The creation of an unstable zone like Bosnia-Herzegovina in the heart of Europe definitely cannot be in the interest of Europe and could pose a global threat and a spark that would definitely set ablaze Europe, which is already vulnerable from the East, especially in Russia, that is to say, in the entire region of the former [word indistinct] socialism. [end recording]

### Delic Calls on Croats Not To Leave 'Ancestral Homes'

*AU1606194393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 16 Jun 93*

[Text] By signing the protocol on Bosnia-Herzegovina with Mr. Petkovic, commander of the Croatian Defense Council [HVO] Headquarters, in the presence of UNPROFOR [UN Protection Force] members, the Bosnia-Herzegovina Army has decided that all the clashes with the HVO must cease as these clashes are the most direct help to the Serbian-Montenegrin aggressor in the destruction of our republic. This was said in a statement by Rasim Delic, commander of the General Staff of the Supreme Command of the Bosnia-Herzegovina Army.

The Army [words indistinct] political aspect on the best way to overcome the conflict between the Bosnia-Herzegovina Army and the HVO. The signed protocol represents a solid foundation for ending the clashes between parts of the Bosnia-Herzegovina Armed Forces [consisting of the Bosnia-Herzegovina Army and the HVO], Commander Delic said.

Certain structures within the HVO are preparing to (?force) the Croatian people in central Bosnia and Posavina to leave those regions and their ancestral homes. The structure that supports the creation of a state within a state believes that it will thus force a partition of the internationally recognized state, Bosnia- Herzegovina, and attach western Herzegovina to Croatia. Such a suicidal act is not in the interest of either the Croatian or the Muslim people, Croatia or Bosnia-Herzegovina.

We call on the Croatian people in Bosnia-Herzegovina not to leave their ancestral homes and the regions that belong to them as they belong to the people of Bosnia-Herzegovina. The coexistence of the Muslim, Serbian, and Croatian people is our fate. Without coexistence there can be no homeland for us, our homeland Bosnia-Herzegovina. I would like to tell the Croatian people on this occasion that the Bosnia-Herzegovina Army is the armed forces of the Croatian people, too, and that it will defend them as it has done so far, defend their national rights, religious institutions, and property.

### Fighting in Gorazde; 91 Killed; Appeal for Weapons

*LD1606212793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 16 Jun 93*

[Text] Extremely alarming reports are coming from Gorazde. As many as 91 people have died today alone during the Serbian and Montenegrin aggressor's savage onslaught on this town.

[Radio Sarajevo correspondent Fahrudin Becic from Gorazde] How do you write a report from Gorazde while parts of human bodies are dangling from the trees, branches, and phone lines? What words can you use to convey a tragedy in which 91 people die and 152 are wounded in one town alone within the space of one day? This is what has been going on in Gorazde today.

This is possibly the most terrible day. Life is here impossible, or has lost any meaning whatever. In the early hours of this morning, poison gases were unleashed on the town. All day long it has been pounded by barrages fired by artillery divisions and battalions, including 105-, 122-, 152-, and 156-mm calibers as well as 128-mm multiple-rocket launchers. Yesterday, it was already too late as far as Gorazde and most people of Gorazde were concerned. If anyone survives here, all they will need will be a pair of crutches or wheelchairs.

The total indolence and slowness of the world's players is incomprehensible. It is incomprehensible that the world can leisurely watch, for days and months on end, the tragedy, murder, and slaughter of a people. Nevertheless, the chetniks cannot conquer Gorazde unless they pulverize it and shell its people to death. Here, not one single line of defense has been lost in military combat. Every line has first been blown to pieces, scorched, and destroyed with the heaviest projectiles. These people have been defending themselves with the only weapons they have in abundance—courage. They attacked howitzers with machine guns, Molotov cockails versus tanks. This is how the last two tanks in the collection of the aggressor's tanks in Orahovice were destroyed.

This is why these people do not demand anything but weapons so they can defend themselves. If you do not hear from us tomorrow, and if there are no survivors here in the next few days, we ask the gentlemen from all the bodies of Bosnia-Herzcegovina's leadership and the impervious lords of world politics not to defile the memento to a brave people and a heroic town by their futile and stupid statements.

Fahrudin Becic reporting for Bosnia-Herzegovina Radio and Television from Gorazde.

### Muslims Attack From West

*LD1706090693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0813 GMT 17 Jun 93*

[Text] Trebinje, 17 Jun (TANJUG)—Fierce clashes between Serb and Muslim forces in the vicinity of Gorazde and between Kalinovik and Trnovo continued last night and today with both sides using all available weapons and artillery pieces, the information service of the Herzegovina Corps announced today.

Last night, Muslim forces launched strong infantry attacks on positions of the fighters of the Herzegovina Corps from the direction of Igman and the village of Trnovo, aiming at breaking through the frontline and linking with their units encircled in the Gorazde area. As has been reported, all the attacks have been repelled.

Last night, the Croatian Army opened fire from mortars and antiaircraft guns and machine-guns on the villages of (Trebinjske Sume) and (Popovo Polje) in the Trebinje section of the Herzegovina battlefield. The villages of Diklici, (Mareva Ljut), Grmljani, Velicani, and Sedlari came under the fiercest fire.

### Mayor: 'We Will Fight to Last Man'

*AU1606131693 Vienna Oesterreich Eins Radio Network in German 1000 GMT 16 Jun 93*

[Radio interview with Gorazde Mayor Abdul (Brabjanac) by Werner Heritsch on 16 June—recorded; Brabjanac statements in Serbo-Croatian with superimposed German translation]

[Text] [Announcer] My colleague Werner Heritsch from the ORF studio in Burgenland has succeeded in establishing an amateur radio contact with the mayor of the encircled eastern Bosnian town of Gorazde, where tens of thousands of people are threatened by death, as has been already mentioned.

Commenting on the situation, Mayor Abdul Brabjanac said:

[Brabjanac] According to our information, the more than 20th armistice was negotiated in Sarajevo yesterday. However, this has not changed anything for us today. We cannot believe that something will change. Minute by minute, hundreds of shells continue to be dropped here. There is virtually no building in Gorazde that has not been hit.

In the past 20 days, hundreds of people were killed and injured here. This is hell. We are constantly being shelled from all sides. How can one hope for an armistice?

[Heritsch] A few days ago, a local Serbian commander said that the fall of Gorazde is a matter of hours. His troops had already reached the suburbs of the town, he said.

Asked about the military situation, Abdul Brabjanac answered evasively first. However, he did not leave any doubt about the preparedness of the defenders of Gorazde to fight for their town to the last extreme.

[Brabjanac] We must say that the situation in these days is extremely difficult. We do not know what is going to happen next. However, we do not have an alternative in this fight. We will fight to the last man and to the last drop of blood for our territory along the Drina River that is still free. This territory is a milestone on the chetniks' road to a greater Serbia.

[Heritsch] At that point, the radio link from Gorazde to Zagreb was interrupted by Serbian jammers: That is not true, that is not true. He is lying, he is lying, the Serbian radio said. After 20 minutes, the radio link with Gorazde worked again.

Question to Abdul Brabjanac: Yesterday, your Foreign Minister Silajdzic held a dramatic speech on the situation in Bosnia and in Gorazde, too. Afterward the human rights conference appealed to the Security Council to stop the attacks on Gorazde. Do you still believe in such actions?

[Brabjanac] For a long time, we have already called on the UN Security Council to finally stop the genocide of the people of Gorazde and its surroundings. Once again, we can only ask all those who are able to help to do everything to finally stop this aggression, this fighting, and this harm done to the Gorazde people.

## Serbs 'Fully Observing' Cease-Fire

*LD1606175993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1732 GMT 16 Jun 93*

[Text] Bratunac, 16 Jun (TANJUG)—The Serb side is fully observing the cease-fire in the Gorazde area, representatives of the general staff of the army of the Serb republic [in Bosnia-Herzegovina] told a TANJUG correspondent this evening.

According to them, the arrival of UNPROFOR [UN Protection Force] observers in Gorazde this evening will provide an opportunity for them to find out all significant details on the spot.

The general staff of the Serb republic army assumes that the UNPROFOR monitors will first be in Gorazde as observers. Only then is it likely that UNPROFOR forces will enter Gorazde and play their proper role in this UN Security Council designated safe area, the general staff of the Serb republic army stresses.

## Commander Says Serbs Holding Up Observers

*LD1606214493 Zagreb HTV Television in Serbo-Croatian 2042 GMT 16 Jun 93*

[Text] At least 46 people were killed in today's Serb onslaught on Gorazde. Thanks to efforts of a Zagreb ham radio operator, we have an exclusive interview with a Gorazde defense commander.

[Begin recording] [Correspondent Zalatan Belavic] Eight UN military observers have not yet entered Gorazde. We are talking about this with a vice president of the Gorazde district and a member of the Gorazde war command, Mr. Abdel Brajanac.

[Brajanac] UN observers have not yet arrived in Gorazde. They are at lines of contact with the aggressor's side. This is a confirmed piece of information. They have not yet arrived in the town. They reached this point about 45 minutes ago.

We do not know what the enemy intends to do. The aggressor's side will obviously try to manipulate the world public, to deceive everyone, and, most likely, to try to return the observers with some thin explanation.

[Belavic] What can eight military observers do? How can they help you even if they arrive?

[Brajanac] They can help if they want to do so, and those who sent them can also help. They can help us evacuate the wounded and seriously ill. Unfortunately, a large number of people have been wounded, especially during this offensive when perhaps several million [as heard] heavy artillery shells have been fired on Gorazde.

[Belavic] You have 70,000 people there, including 20,000 children under 14. How many wounded do you have?

[Brajanac] Believe me, no one knows at this moment. The number of wounded is rapidly increasing by the hour because intensive combat activities are being waged on all defense lines and several hundred—maybe even thousands—of heavy artillery shells are falling on Gorazde every minute. Each house is practically a makeshift hospital for urgent treatment of seriously wounded people. It is difficult to say what the number of wounded is, but certainly several hundred have been wounded in just the past few days.

[Belavic] What does the Serb capture of Gradina mean?

[Brajanac] The Serb capture of Gradina unfortunately means that chetniks have direct access to city areas and to the city, which certainly exacerbates this complex situation.

[Belavic] How long can you hold out with your defense forces?

[Brajanac] Look, since we have been under siege for almost 14 months and since this fiercest enemy offensive has been going on for over 20 days, and we are under

siege and we have nowhere to go, we have no alternative; we shall fight until the last drop of blood if necessary. [end recording]

### Muslim Attacks on Novi Travnik; 11 Dead

*LD1706090393 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 17 Jun 93*

[Report by correspondent Zdenko Vranjes from Herzegovina]

[Text] It was relatively calm in Mostar last night, with the usual infantry-fire exchanges on the frontline in the town. Muslim forces began a combined artillery and infantry attack against positions held by the Croatian Defense Council [HVO] in (Boksevica) west of Konjic at 0600 this morning, HVO military sources said in a statement.

It was comparatively quiet in Novi Travnik this morning. The greatest danger is posed by Muslim snipers who have wounded several civilians. Attacks by Muslim forces in the (Rostovo) and Sebesic area south of Novi Travnik are still under way. HVO units are firmly holding on to their positions and repelling the assaults. Eleven persons have died and another 18 were wounded in these clashes, the HVO command for Novi Travnik said in a statement.

### Fall Reported Imminent

*LD1606153093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1444 GMT 16 Jun 93*

[Text] Srbobran, 16 Jun (TANJUG)—The fighters of the Croatian Defense Council [HVO] who have sought refuge today on Mount Komar between Srbobran (formerly Donji Vakuf) and Novi Travnik in the Serb republic [in Bosnia-Herzegovina] claim that eight Muslim brigades have attacked Novi Travnik, and that it is only a matter of time before the town falls into their hands.

According to Croat refugees, Muslim armed formations have taken the Bratstvo factory in Novi Travnik and all Croat villages around the town.

These are the villages of Dokovici, Brkani, Gornji Kasapovici, Donji Kasapovici, Raminci, Zenepici, Donji Margetici, Gornji Margetici, Pobrdjani, Rude, Gornje Pecine, Donje Pecine, Senkovici, Hodzici, and Torine.

About 4,500 Croat civilians from these villages and 500 HVO soldiers have so far crossed over to the Srbobran area where they are protected by the Serb republic army.

### Croat Forces Consolidating

*LD1606120393 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 16 Jun 93*

[Report by correspondent Zdenko Vranjes from Mostar]

[Excerpt] [passage omitted] Ham radios from Novi Travnik have reported that the town was calmer this morning. Defense lines have been consolidated and last night's Muslim infantry assaults were repelled quickly. Croatian Defense Council [HVO] units are also consolidating in several villages north of Travnik and Muslim forces have not been able to establish control of the entire Travnik-Guca Gora-Zenica road.

### 'Endless Columns' of Croat Refugees

*LD1606140193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1227 GMT 16 Jun 93*

[Excerpt] Srbobran, 16 Jun (TANJUG)—Endless columns of Croat refugees are continuously arriving on the eastern slopes of Mount Komar, between Srbobran (formerly Donji Vakuf) and Travnik, after wandering through desolate mountain areas. Croats from the Novi Travnik area are fleeing Muslim terror and seeking refuge in the Serb republic.

This morning's figures, according to which some 1,500 Croat civilians and 500 Croatian Defense Council troops reached safety on Mount Komar, are changing by the hour. Croat refugees from the villages of Pecine and Rude near Novi Travnik claim that at least 4,500 Croats joined the exodus. [passage omitted]

### Renewed Shelling of Sarajevo Reported

*AU1706124693*

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian, in its 0800 GMT and 1000 GMT newscasts on 17 June, carries the following reports on fighting in the republic:

Correspondent Semso Tucakovic reports that "the chetnik criminals have been shelling fiercely the free territory of the upper Drina basin today." As he says, "defense lines in (?Rugolj), (?Grek), and (?Jakubisce) came under attack" on this occasion while "the chetnik mob of soldiers" is pressing from "south Jahorina toward Orahovica." Tucakovic reports that they are being assisted by "regular units from Serbia and Montenegro" but adds that "our forces offer stern resistance."

"With the exception of rare breaks, the chetnik offensive against the free territory of Zavidovici commune continues," the correspondent from Zavidovici, Adnan Djonic, says, reporting that "infantry breakthroughs were attempted on several occasions in the last 24 hours." He also notes "combat activities directed against civilian targets" in the Krivaja River valley this morning.

Reporting from Maglaj, correspondent Hajrudin Sermic expresses doubt in the cease-fire "that is supposed to come in force tomorrow" as "the chetniks continued to concentrate manpower yesterday and during the night." He reports that the town and the defense positions were attacked by 27-mm Bofors guns but adds that "our lines remain firm and stable." Sermic also reports that food, medication, and other essential goods have been "completely exhaus[illegible] in the town, urging Bosnian authorities and inter[illegible]ional organizations to send more aid.

Correspondent from Gorazde Mustafa Kurtovic reports "sporadic shelling" of the villages surrounding Gorazde, while, as he says, the town itself "is not being shelled." "The situation on the lines of defense continues to be extremely grave as the enemy is pounding fiercely our defense lines with all artillery weapons," Kurtovic reports, adding that "the chetniks" are also attempting "combined infantry-artillery" attacks. He says that the "aggressor" is regrouping and bringing fresh forces to the region of Ustipraca and Dervusa. The UN observers are currently touring the demolished and empty town of Gorazde, Kurtovic reports and says that the humanitarian situation in the town continues to be "very grave."

A report by the Seven-South Operational Group notes "artillery activities and infantry arms' provocations along all the separating lines" in the zone of responsibility of this group. The report accounts for a concentration of "chetniks" and reports infantry attacks at Srejiste, howitzer shelling of Maglaj, and "increased movement of convoys of vehicles from Doboj toward Putnikovo Brdo." The report also notes the "intense use of helicopters" on the Doboj-Ozren route. There have been attempted infantry breakthroughs in the Tesanj area last night supported by the tanks from Vis, the report also says.

An announcer-read report says that "at approximately 1000 [0800 GMT], the chetniks launched a fierce artillery attack" against Sarajevo. As the report says, Kobilja Glava was attacked by artillery while chemical agents were dropped on the Hum area. "Fierce shelling of Buljak Potok, Brijesce, and Sokolje started at the same time," the announcer says and also reports infantry arms fire from Stari Grad and Dobrinja. "We have received reports that the chetniks have again intensified artillery attacks at Barice, Ugorsko, and the free territories of Vogosca."

### France Asks Permission To Reinforce Troops

*LD1706132593 Paris France-Inter Radio Network in French 1200 GMT 17 Jun 93*

[Excerpt] France is asking the United Nations to be allowed to reinforce its contingent of troops deployed in Sarajevo with the despatch of 12 [?Arfout] tanks armed with a 90-mm gun. This small unit would come from Bihac, a Muslim enclave in northwest Bosnia, where France has an infantry battalion. [passage omitted]

### UNHCR Suspends Airlift

*AU1606172393 Paris AFP in English 1655 GMT 16 Jun 93*

[Excerpt] Sarajevo, June 16 (AFP)—The U.N. humanitarian airlift to Sarajevo has been suspended at least until Saturday [19 June], the U.N. High Commissioner for Refugees (UNHCR) office said here Wednesday [16 June].

The airlift was suspended Tuesday [15 June] afternoon after shells landed near the airport and a Canadian plane coming in to land was scanned by anti-aircraft radar. [passage omitted]

### 20 Muslims Killed on Teslic Battlefield

*LD1606174893 Belgrade TANJUG in English 1733 GMT 16 Jun 93*

[Text] Banja Luka, June 16 (TANJUG)—Moslem forces on Wednesday performed numbers of attacks on Serb settlements and positions on the Maglaj, Doboj and Teslic battlefronts in the north of the former Yugoslav Republic of Bosnia-Herzegovina, the first Krajina corps of the army of the Serb republic (S.R.) announced.

The S.R. was formed by Serbs in the areas of Bosnia-Herzegovina where they make up majority population after this republic broke away from Yugoslavia last year.

In the attacks on Wednesday, two members of the S.R. army were killed while one woman was wounded in the Maglaj area.

On the Maglaj battlefront, Moslem forces directed strong infantry and mortar fire on the Serb village of Dolac and attempted an infantry breakthrough which was repelled.

On the Doboj battlefront, Bosnian Moslems bombarded positions of the S.R. army and the town of Doboj. The locality of Lipac came under Moslem 128-mm rocket fire, while the village of Prodjel was shelled by mortars.

Moslem forces carried out offensive actions also on the Teslic battlefront where they had 20 killed and around 100 wounded. They directed artillery attacks on Serb positions in the regions of Jelovac, Lavanovac, Omerovo Guvno and Husar. Their light rockets of 128 mm hit the villages of Miljevci and Coce, said the Serb military sources.

### Muslims, 'Chetniks' Fighting on Doboj Front

*AU1606192893*

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 16 June carries in its regular 42-minute newscast several reports on the fighting in the republic.

Enes Musovic reports from Gorazde that "the situation is rapidly deteriorating. Shells are landing everywhere, and the explosions are deafening. There have been 45 people killed during the day, while dozens have been wounded. These are not the final numbers. It is 1730 [1530 GMT] now and the U.N. observers have still not arrived in Gorazde. The chetniks are on a fierce offensive on all the defense lines around the town."

The Teocak Press Center reports that "the enemy from the direction of (?Demaci) has been shelling the civilians targets in (?Sijevnica) with 82-mm mortars. Antiaircraft guns and machine guns kept the area under constant fire. The worst situation is in Teocak itself, as the enemy from (?Zenica) has been using 155-mm howitzers against the town."

The Operative Group Seven South Press Center reports from the Doboj region that "Maglaj was shelled today with howitzer shells, while movement of the enemy infantry was spotted in the Doboj area, and regrouping

of enemy tanks and artillery was registered inside the occupied territory. Regular units of the Yugoslav army's Valjevo Corps and mercenaries from Russia are fighting on the chetnik side."

The studio announcer says that "after this morning's enemy attack on the northwestern part of the free Zvornik territory, which the Bosnia-Herzegovina Army successfully repelled, destroying three trucks that were bringing help to the chetniks and one Vis 76-mm hill gun, the enemy resorted to his old strategy of shelling from a safe distance. Over 1,000 tank and howitzers shells pounded Skakavica and other villages on the free Zvornik territory."

Describing the situation in Sarajevo, Lejla Tafro says that "parts of Novi Grad have come under a mortar attack this evening, and Colina Kapa in Stari Grad is also shelled. Earlier on, the aggressor fired five shells on Misivode in Stari Grad, killing one person and wounding seven." She says that "at about 1700 this evening, the enemy used chemical agents against Sokolje, so the citizens are warned to be extremely cautious."

The Fourth Motorized Brigade reports from Ilidza that "there was some chetnik provocative fire on Hrasnica and Sokolovici, although their artillery activities have been of a somewhat lesser intensity that during the past few days."

### Muslim Army Controls Kakanj Region; Croats Flee

*AU1606162393 Paris AFP in English 1558 GMT 16 Jun 93*

[Excerpts] Sarajevo, June 16 (AFP)—Troops of the mainly Moslem Bosnian Army have overrun the region around the central town of Kakanj, forcing more than 10,000 Croats to flee, the U.N. Protection Force said Wednesday [16 June]. [passage omitted]

Eight unarmed U.N. military observers meanwhile left Sarajevo for the besieged eastern Moslem enclave of Gorazde, after finally receiving writeen permission from Lieutenant General Ratko Mladic, the head of the Bosnian Serb forces.

A spokesman in the central town of Kiseljak, where the U.N. Protection Force (UNPROFOR) force has its command headquarters, told AFP by telephone that the nearby Kakanj region was firmly in the hands of the Bosnian Army, but that fighting was continuing in two or three villages.

It was the second major defeat for the Croat forces in 10 days, following their loss of their central town of Travnik and the surrounding area.

The collapse of the Croat forces at Kakanj began overnight Monday when a key defense line crumbled, and the Bosnian forces later broke through in other spots, another U.N. source said.

Entire units of the Bosnian Croat forces surrendered to Bosnian army forces in Catici, about 10 kilometers (six miles) from Kakanj. [passage omitted]

A Bosnian Moslem offensive near Novi Travnik—close to Travnik—continued Wednesday.

UNPROFOR spokesman Barry Frewer reported sporadic figting in the Vitez-Travnik area.

He said there was "looting of Croat houses" in the Haljinici and Polcici valleys near Zenica, 60 kilometres (36 miles) northwest of Sarajevo.

The Bosnian Croat forces have repositioned troops outside Konjic, 40 kilometres (24 miles) southwest of Sarajevo, as fighting continues in the area. [passage omitted]

### Troops 'Overrun' Region

*AU1606130793 Paris AFP in English 1255 GMT 16 Jun 93*

[Text] Zagreb, June 16 (AFP)—Troops of the mainly Moslem Bosnian army have overrun the region around the central town of Kakanj, forcing more than 10,000 Croats to flee, the U.N. Protection Force announced Wednesday.

A spokesman in the nearby town of Kiseljak, where the force has its headquarters, told AFP by telephone that the region was firmly in the hands of the Bosnian army, but that fighting was continuing in two or three villages.

### UN Asked To Aid in Evacuating Serbs

*LD1606220493 Belgrade TANJUG in English 2103 GMT 16 Jun 93*

["Pool" item]

[Text] Belgrade, June 16 (TANJUG)—Vice President of the Serb Republic in the former Yugoslav Republic of Bosnia-Herzegovina Nikola Koljevic asked Nicholas Morris, a special envoy of the United Nations High Commissioner for Refugees (UNHCR) in Bosnia, during their talks on Wednesday to help evacuate Serbs from towns under Moslem control.

Prime Minister of the Serb Republic Vladimir Lukic, Ministers Dragan Kalinic and Velibov Ostojic and Commissioner for Refugees Ljubisa Vladusic also participated in the talks in Pale, the political centre of the Serb republic near Sarajevo.

Serbs in Moslem-controlled towns, especially in Sarajevo and Tuzla, are not only denied the freedom of movement but their lives and health are also endangered, said Ostojic.

Around 70,000 Serbs are currently in Moslem-controlled parts of Sarajevo and another 18,000 in the Moslem enclave of Tuzla in northern Bosnia.

Kalinic, who is the minister of health in the Bosnian Serb government, and Patrick Peilloda, medical coordinator

between the UNHCR and the World Health Organization, discussed the U.N. procedure and criteria for an evacuation of the wounded and sick from Sarajevo and other towns as well as the possibilities for their being transferred to other countries, reported the Bosnian Serb news agency SRNA on Wednesday.

During the talks in Pale, Kalinic accepted the procedure, noting that the Serb side had accepted in its hospitals all those who crossed to the Serb territory, said the news agency.

Kalinic proposed that wounded and sick people be transferred to Belgrade and other centres from airports in Sarajevo and Banja Luka, a Serb-controlled town in north-western Bosnia.

### Serbs Shelter 3,500 Bosnian Croat Refugees

*LD1606202193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1928 GMT 16 Jun 93*

[Excerpt] Srbobran, 16 Jun (TANJUG)—Serb civilian and military authorities from Srbobran (formerly Donji Vakuf) today evacuated all Croat civilians and HVO [Croatian Defense Forces] soldiers, who fled Muslim terror waged in the Novi Travnik area, from the Komar mountain pass near Srbobran.

According to estimates, over 3,000 Croat civilians and 500 HVO soldiers are housed in the primary school and other institutions in the (Torlakovac) settlement on the Srbobran-Jajce road. [passage omitted]

### 15,000 Croat Refugees Arrive in Vares

*LD1606194093 Zagreb HTV Television in Serbo-Croatian 1730 GMT 16 Jun 93*

[Report by Smiljko Sagolj from central Bosnia]

[Excerpt] [Sagolj] A dramatic warning came from Vares [north of Sarajevo] this evening that 15,000 more Croat refugees from the Kakanj municipality have arrived in this town and that, on top of shortages of medicines, hunger is also threatening the town.

Vares has been without electricity for a long time, and all communication lines with the outside world have been cut off, because Muslim forces in Visoko and Breza have cut them off. Schools and other institutions are brimming with Kakanj refugees, they report from Vares. Some families have accepted about 30 people in their houses. Following Kakanj, Muslim forces are threatening to attack Vares. [video shows refugees]

We are again with radio hams this evening, because for the past few days they have been our only link with central Bosnia through which we have been getting all information. Tragic and dramatic reports are arriving every day. They are also arriving this evening. We have a direct link with Novi Travnik:

[Unidentifed Radio Ham] 1715 [1515 GMT]: The aggression against the Croat areas and ethnic cleansing of Croats is being waged jointly by Krajisniks [not Serbs from Krajina but Muslims from the Cazin Krajina around Bihac in western Bosnia] and mujahedin in the Travnik and Novi Travnik municipalities. Muslim reinforcements are still being brought in.

A consequence of these horrors is that 95 percent of the Croat people in the Travnik municipality have been expelled from their ancestral homes. Some of these unfortunate people found salvation from massacres and torture by Muslim forces in the Novi Travnik municipality, as a result of which about 20,000 refugees are currently there.

The number of refugees is constantly on the rise. As a result of the large influx of refugees, half of whom are children under 14, and as a result of a three-month-old Muslim siege of our municipality, stockpiles of food have dwindled. Hunger is threatening refugees and the local people.

[Sagolj] We should add to this some information issued by the operational zone for central Bosnia [of the Bosnian Croat Army—HVO] that units of the Travnik brigade have consolidated their defense lines from the Bosna Taverna to Kula Point and that they are holding their positions firmly. The HVO is also firmly holding defense lines from the [word indistinct] station to fringes of the villages of (Stojkovici) and Sebesic [south of Novi Travnik] in the Novi Travnik area. [passage omitted]

### Government Condemns Croatia's Treatment of Refugees

*AU1606163093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 16 Jun 93*

[Nada Rajkovic report on the news conference by Miroslav Jancic, spokesman for the Bosnia-Herzegovina Foreign Ministry, in Sarajevo on 16 June—recorded]

[Text] Miroslav Jancic, spokesman for the Bosnia-Herzegovina Foreign Ministry, held a regular news conference in the International Press Center today. He welcomed the signing of the general agreement on the cessation of hostilities in Bosnia-Herzegovina, and said:

[Jancic] The Bosnia-Herzegovina Government is preparing to lodge a sharp protest with the Croatian Government because of the further deterioration in the treatment of the Bosnia-Herzegovina refugees in Croatia. The pressure that has recently been exerted on the Bosnian refugees, particularly the Muslims, for their emigration farther into the world is not only inhuman and genocidal in some aspects, but is also a flagrant violation of all the multilateral and bilateral agreements on the protection of the refugees until the war ends. This is particularly the case when one takes into account that enormous international humanitarian aid is sent for those refugees.

We hope that—within its duties and current efforts to halt the interethnic conflicts in Bosnia-Herzegovina—the Croatian Government will curb the campaign that is under way in Croatia against the helpless refugees from Bosnia-Herzegovina.

### Commission Reports on HVO's 'Ethnic Cleansing'

*AU1606144393*

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 16 June carries in its regular 40-minute newscast several reports on the clashes between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO] in central Bosnia.

The Mostar Press Center reports on "ethnic cleansing in all the parts of Mostar that are under the control of the HVO. Every night since 13 June, about 50 to 200 Mostar Muslims have been evicted from their homes and expelled to the left bank of the Neretva River. Many of them get beaten up on top of that, while all are robbed. The Commission for Special Protection and Humanitarian Aid has announced that HVO fighters have so far evicted some 5,000 Muslims from the right to the left bank of the river. A list of the names of these people has been drawn up and given to UNPROFOR as evidence of the ethnic cleansing carried out by the HVO."

Reporting from Konjic, Borka Rudic says that "the attacks on the free territory have intensified. According to the statement by the Press Service of the Operative Group Igman, HVO forces, directly allied with the Serbian-Montenegrin aggressor, breached the cease-fire overnight by shelling civilian targets in the town and its outskirts. They used mortars, and antiaircraft guns and machine guns against the defensive positions along the (?Ljubina)- (?Prevlja)-Bijela route. The Serbian-Montenegrin aggressor simultaneously pounded Konjic and civilian targets in the (?Omolja) region." She says that "the situation in the valley of the Neretvica River is no better. From the direction of Prozor, the HVO and the Croatian Army are bringing up new troops and equipment."

### Tripartite Military Agreement Signed

*AU1606123693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 16 Jun 93*

[Text] Considering the decisions of the UN Security Council regarding the former Yugoslavia, in particular Resolution 824 and Resolution 836 and all other relevant resolutions, Rasim Delic, commander of the General Staff of the Army of Bosnia-Herzegovina; Milivoje Petkovic, commander of the General Staff of the Croatian Defense Council; and Ratko Mladic, commander of the Serbian aggressors army, signed an agreement on halting clashes in Bosnia-Herzegovina on the Sarajevo Airport last night. The agreement reads as follows:

First, [words indistinct] including combat movement, (?deployment) of units, and (?further) fortifications.

Second, each side will ensure that such orders be signed by a head commander. Such orders will be personally handed to brigade commanders by authorized representatives of the commanders.

Third, (?all sides) will [word indistinct] their full cooperation on [word indistinct] stopping hostilities. Further, every brigade commander of every side will prepare a daily report to his head commander that will include all details on the military situation and the efforts to implement the stoppage of hostilities. All sides must report all cease-fire violations to UNPROFOR.

Fourth, all discussion about end to hostilities and other matters will be held by a mixed military working group. The sides agree that, for matters that UNPROFOR considers to be urgent, they should have authorized representatives available 24 hours a day.

Fifth, in the continuation of the discussion, the mixed military group will discuss, in the most practical way, the decisions on the times and measures for separating the forces.

The basic regulations of the agreement are contained in its second part:

First, the general agreement includes provisions for an end to hostilities and basic provisions contained in (?Article) One. All provisions of the General Agreement are in legal [word indistinct].

Second, the sides guarantee their full support to the General Agreement. Any hampering of the implementation of one of the provisions by any of the sides will be considered to be a violation of the General Agreement.

Third, the sides [word indistinct] that if UNPROFOR [word indistinct] freedom of movement and if they fail to respect the word and spirit of this agreement, the deployment of the UNPROFOR forces and their security and operations will be directly threatened.

Fourth, all sides agree that they are obligated, among other things, by the following:

A. By the conditions of all previously signed agreements, unless all three sides, under the auspices of UNPROFOR, decide that these provisions are no longer applicable;

B. By the conditions in the Geneva Convention of 12 August 1949 and the additional protocols, as well as other instruments of (?war) rights and human rights protection;

C. To allow the delivery of humanitarian aid and the freedom of movement to representatives of international humanitarian organizations with the usual measures of control;

D. To prevent the inhibition of usage of water, gas,and electricity as a weapon and to (?affirmatively) support efforts on repairing and maintaining facilities that will permit the supply of water, gas, and electricity;

E. To present the other sides with (word indistinct] with all prisoners of war and dead that are under their control as well as their locations;

Fifth, the sides agree to continue negotiations under the auspices of UNPROFOR with a view to solving the crisis.

Rasim Delic, commander of the General Staff of the Army of Bosnia-Herzegovina and Milivoje Petkovic, commander of the General Staff of the Croatian Defense Council, have signed a special protocol on Sarajevo Airport which says that, as of 18 June, the two sides will inform UNPROFOR daily about the situation in the field. A joint committee of the two sides and UNPROFOR will meet in Mostar on 18 June with a view to accelerating work on implementing the Medjugorje agreement.

Ratko Mladic, commander of the aggressor armed forces, yesterday, at Sarajevo Airport, issued a special order that the a three-member UN observers team will have free passage to Gorazde as of 1200 [1000 GMT] today.

### Commander Views Agreement

*AU1606155193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 16 Jun 93*

[Nada Rajkovic report on the news conference by Rasim Delic, commander of the General Staff of the Bosnia-Herzegovina Army Supreme Command in Sarajevo on 16 June—recorded]

[Text] [Rajkovic] Rasim Delic, commander of the General Staff, commented in the International Press Center on the agreement signed yesterday, the general agreement on the cessation of the hostilities in Bosnia-Herzegovina, and the protocol on Bosnia-Herzegovina, which in fact represents the implementation of the Kiseljak agreement.

[Delic] As commander of the General Staff of the Bosnia-Herzegovina Army Supreme Command, I have already undertaken measures to prepare for the implementation of the general agreement. All commands have been sent the text of the general agreement and orders for its implementation. This creates a period of time that allows the preparations to be carried out in all the units for the implementation of this agreement, which is to come into force at 1200 [1000 GMT] on 18 June.

The orders have already arrived in the units. Some activities are already being carried out in accordance with the agreement signed in Kiseljak on 10 June. This primarily concerns the release of prisoners—in Zenica, for example, this should be completed today—continuing work on the release of prisoners according to schedule, and making sure that they are then allowed to go wherever they wish. This is to be done in cooperation with the European observers and the UNHCR.

The Bosnia-Herzegovina Army accepts the provisions of the general agreement with wholehearted sincerity and responsibility, and will try to carry out [words indistinct] and that the problem of Gorazde will be urgently solved. I hope that the presence of the observers, who are to leave for Gorazde at 1200 today, will at least somewhat alleviate the situation on the ground. I should add that yesterday's agreement is only the beginning of the realization of a series of issues that have been presented at this joint meeting at the highest level.

The mixed military commission is to resume work tomorrow, and the agenda is supposed to include the freedom of movement, that is, the blue corridors as envisaged by the Vance-Owen plan. Then the issues of the safe havens will be covered, the safe havens of Gorazde, Sarajevo, and the other places that are supposed to be safe havens.

Taking into account the reputation of the people who presided over yesterday's meeting, and certain mechanisms that are built into the agreement, we should expect this agreement to be successful if the other sides that signed the agreement really wish it so.

[Rajkovic] When it comes to the protocol on Bosnia-Herzegovina, it defines the (?terms) for the realization of the 10 June agreement.

[Delic] I would like to say on this occasion that the Bosnia-Herzegovina Army is undertaking other activities on the solving of certain problems that have developed in some areas, particularly in central Bosnia and in Herzegovina. These activities are aimed primarily at protecting all property, protecting the population, and preventing any forceful emigration, since it is in the interest of all the nations of Bosnia-Herzegovina to keep Bosnia-Herzegovina a multinational state where all its nations can coexist. In that sense, we have issued a strict order pertaining to the correct attitude by the Bosnia-Herzegovina Army toward the civilian population, and the involvement of all the Army's structures and other structures of society—we of course appeal to them—in securing the safety and property of citizens. At this moment this particularly applies, is most important, for citizens of Croatian origin, taking into account the media campaign aimed at forcing Croats to emigrate from central Bosnia at any cost. Religious institutions and the clergy have to be protected, and the clergy has to be allowed to make visits, safe visits, on the ground so that they can be in touch with their people, their religious followers.

[Rajkovic] This is briefly what the commander of the General Staff said at the news conference.

### Serbs in Western Slavonia Declare State of Emergency

*LD1706122693 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 17 Jun 93*

[Text] The Serbs in western Slavonia are getting ready for the so-called referendum to be held on 19 and 20 June to decide on unification with the Bosnian Serbs and the creation of a Serb state west of the River Drina. A state of emergency has been proclaimed in Okucani. All able-bodied people, including women, have been mobilized. Shelters are being adapted and a curfew has been introduced. Restaurants and bars are closed and people are forbidden to leave western Slavonia.

### Tudjman Urges Pressure Against Serb Referendum

*LD1706083693 Zagreb Radio Croatia Network in English 0805 GMT 17 Jun 93*

[Text] President Tudjman returned from the peace talks in Geneva last night following several hours of talks with presidents Bulatovic, Izetbegovic, and Milosevic. He said that an agreement in principle was reached on the modification of the Vance-Owen peace plan.

Speaking about the oncoming referendum of the Serbs in Croatia, Mr. Tudjman said that he asked of the participants in the conference in Geneva to put pressure on the Serbs from Croatia not to hold a referendum, but to do all to normalize the relations between Croatia and Serbia and find a peaceful settlement.

### Court Invalidates Serb Referendum in Krajina

*LD1606125093 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 16 Jun 93*

[Text] The Constitutional Court of the Republic of Croatia has made public its stand on the forthcoming voting by rebel Serbs living in the territory of the Republic of Croatia at a so-called referendum, which has been called in Petrinja by the self-styled assembly of the so-called republic of Serb Krajina. A referendum on issues referring to the independence, unity, and existence of the Republic of Croatia—in order to be legally valid in accordance with the Constitution and laws of the Republic of Croatia—can only be called by the president of the republic at the government's proposal and with the prime minister's consent.

Concerning decisions on borders, in accordance with Article 8 of the Constitution of the Republic of Croatia, only the Assembly of the Republic of Croatia can pass decisions on changing the borders of the Republic of Croatia. In keeping with its Constitution, the Republic of Croatia is a unitary and indivisible democratic state, and its sovereignty is inalienable, indivisible, and nontransferable. Therefore, everything that has been undertaken or will be undertaken with the view of holding the so-called referendum, as well as the referendum itself, are null and void and have no constitutional and legal impact. This is said in the stand of the Constitutional Court of the Republic of Croatia.

### Krajina Leader Assails Kohl Statement

*LD1506192393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1844 GMT 15 Jun 93*

[Text] Belgrade, June 15 (TANJUG)—Prime Minister Djordje Bjegovic of the republic of Serb Krajina sent a letter of protest to German Chancellor Helmut Kohl on Tuesday regarding Kohl's statement that Germany would not accept any forcible changes of the borders of the former Yugoslav republics which have been recognized as new states.

"Your statement was received as a threat in my country, and even more than that, as a painful reminder of everything that the German state did to the Serb people in the recent past, during the two world wars," said Bjegovic in the protest letter.

Kohl made the controversial statement on Saturday during a visit to [word indistinct]. He had threatened that those who changed borders by force would not get any financial aid from Germany.

Krajina is a state which was proclaimed by Serbs in 1991 on territories of Croatia where they are the majority population or a significant minority in answer to the forcible secession of this former Yugoslav republic.

From the very beginning of the crisis in former Yugoslavia, Germany was the first state which supported the secession of Yugoslavia's former republics of Slovenia and Croatia and which recognized them, and Kohl did not defend the principle that the borders of existng and recognized European states must not be changed. He "remembered" this principle only when the rights of the Serb people to self-determination in Dalmatia and Bosnia-Herzegovina became acute.

"It is difficult to believe that you are threatening Serbs and thus helping the annexation of Serb lands by Croats and Bosnian Muslims," Bjegovic said.

Bjegovic told Kohl that he was "today assisting the same misdeed" which Hitler was guilty of when he created the quasi, so-called independent state of Croatia, and permitted the Croats and Muslims who lived in it to commit crimes of genocide against the Serb people—1,200,000 Serbs were killed in this state during World War II.

Bjegovic pointed out that Germany still has not paid war reparations to Serbs, which were calculated by the allies immediately after the end of the war, so that the threat that Serbs will get "not a single German mark" comes as no surprise.

Bjegovic indicated that Serbs expect more "political wisdom" from Germany, as the leading country in Europe, and not help to the authorities of Croatian President Franjo Tudjman and Bosnian Muslim Leader Alija Izetbegovic, because "these two want to finish off

what their predecessors in World War II had failed to do," said Bjegovic at the end of the protest letter.

### Western Politicians Misunderstand 'Essence of War'

*AU1506145693 Budapest HETI VILAGGAZDASAG in Hungarian 12 Jun 93 p 39*

[Interview with Parliament Chairman Stipe Mesic by Julia Vasarhelyi in Helsinki; date not given: "The Solution: A Swiss-Type State"]

[Text] While the United States and Europe are unable to agree on how to handle the Yugoslav crisis, formerly allies the Croats and the Muslims in Bosnia-Herzegovina are fighting each other more and more frequently. What solution do you see for this bloody war?—we asked Croatian Parliamentary Chairman Stipe Mesic at the Eastern Europe Conference of the Council of Europe held in Helsinki.

[Vasarhelyi] Mr. Mesic! Alarming news has recently surfaced on Croatian forces also committing ethnic cleansing against Bosnians. Will this lead to a new escalation of the Balkan crisis?

[Mesic] When people speak about the Balkan crisis today, unfortunately the origin of the whole conflict is mostly forgotten: Everything started with the Serbian aggression against Croatia and Bosnia-Herzegovina. At the time, the world tolerated Serbia's numerous conquests and thought for a long time that the war would end by itself if a general arms embargo was introduced.

[Vasarhelyi] Indeed, there are weapons on every side, too many weapons. How do the Croats, for example, purchase military equipment despite the general arms embargo?

[Mesic] It is a well known fact that the Yugoslav People's Army, that is the Serb Army, was the fifth strongest army in Europe; thus, the embargo only made it impossible for the victims to defend themselves. It is an astounding hypocrisy to hear the United States, England, France, and the others say that there will be even more bloodshed if they lift the arms embargo on the countries of former Yugoslavia. The Croats and Bosnians are being simultaneously destroyed in two different ways: one, by the Serbian heavy artillery on land and water and with the extermination campaign carried out by the Chetnik hordes; two, in an indirect way by forcing us to use all our economic power for defense and the purchase of arms after the war. Now we can only purchase weapons on the black market, where we have to pay at least ten times as much. Naturally, I cannot tell you where we purchase our weapons and from whom, but everyone must see that this situation makes it hopeless for Croatia, for example, to recover after communism and to revive its war-ravaged economy.

[Vasarhelyi] The fact that Croatian leaders often change their minds about the future of Bosnia-Herzegovina does not increase mutual confidence either. What is your position?

[Mesic] The Croatian position is clear: Bosnia-Herzegovina must stay together, by preserving the original borders. Croatia is not even considering obtaining territories from Bosnia; nor can Croatia tolerate the connection of some areas of this republic to Serbia, because this would threaten the very existence of Croatia. Therefore, in our view, the solution would be a Swiss-type state in Bosnia-Herzegovina, with strong local self-government everywhere held together by a central government. I stress, however, that all this can only be implemented if Serbian aggression stops; this, however, needs the intervention of the world. As for the Croatian-Bosnian conflict, this is clearly the consequence of the Serbs' success in occupying 70 percent of Bosnia-Herzegovina and 20 percent of Croatia, and 70 percent of the entire population of Bosnia, so that the Croats and the Bosnians now live on 30 percent of the territory of Bosnia. Thus, one should not be surprised that the Croats and the Muslims are also turning against each other when they are massed together in such a small area. Besides, there are no Croatian Army units in Bosnia; the Croatian fighters there are volunteers. This war is being waged for territory, and the massed victims are having to fight for every square centimeter, even with one another. Just as people incarcerated in Hitler's concentration camps could not be blamed for fighting one another in their desperation, criminals should not be sought among the victims here either, but among those who caused this situation; the international community also bears great responsibility for taking no action.

[Vasarhelyi] If the international community nevertheless decided to intervene, how could they end this war in which everyone is enemy to everyone?

[Mesic] The problem is simple and it could have been solved long ago: Serbian aggression must be ended. However, some people are obviously interested in letting Serbia conquer as much territory as possible. If not so, the zones between Serbia and Bosnia and Serbia and Croatia respectively would have already been outlined, zones controlled by international forces, and this would make it clear to the world and to Serbia that the borders cannot be changed.

[Vasarhelyi] Rumors have been circulating lately not only about Croatian attacks against Muslims, but also about the deportation of Muslim refugees from Zagreb. Is it true that Bosnian civilian refugees, for example, are being held in inhumane conditions near Mostar?

[Mesic] There are too many refugees in general in Croatia, not too many Muslim refugees. We have never differentiated between them according to their religion or according to some other criteria. We have accepted refugees, just as other countries have, such as Hungary. However, everyone has to see that accepting and caring

for the refugees does not solve anything; on the contrary, it helps the Serbs in their ethnic cleansing efforts. Unfortunately, when we talk to Western politicians, we often think that they still do not understand the essence of this war. They want to solve the consequences instead of eliminating the causes. They are striving for a quick and simple solution, and they always head in the direction of the smallest opposition. This is why they tolerated Serbia's territorial conquests for quite a while, hoping that a new Yugoslavia would emerge and peace would be restored. However, concessions only increase the appetite. A similar event had already taken place in Europe, with Hitler's Germany, and it would be sufficient to remember that.

### Mesic Favors Buffer Zones on Borders With Serbia

*LD1506135593 Hamburg DPA in German 1223 GMT 15 Jun 93*

[Text] Zagreb (DPA)—Buffer zones monitored by international troops on the borders between Serbia and the neighboring states of Bosnia and Croatia would fundamentally change the situation in the Balkans, in the view of Croatian Parliamentary President Stipe Mesic.

In an interview with DPA, Mesic said today: "On the one hand, the West would thus prevent all logistical support for the Serbs in Bosnia and Croatia, and, on the other hand, the world would be making it clear to the Serbs that internationally recognized borders must not be changed."

"However as long as the Serbs believe that they can change borders by force, they will continue to fight," said Mesic, the last president of the collapsed multinational state of Yugoslavia. Regrettably the world supports Serbian plans with its indecisiveness, he said. However, if the international community were to decide to station troops on Bosnia's and Croatia's borders with Serbia, "new processes" would arise automatically. "The Serbs would never attack UN troops either, because they are aggressive but not stupid."

Mesic believes that the stationing of peace troops on the borders with Serbia, alongside an end to the civil war in Bosnia and Croatia, would also trigger off a number of domestic developments in Serbia itself. "Milosevic would then fall from power as he would not have achieved his goal of a great Serbian state." Democratic processes which primarily involve the rebuilding of the economy would then begin in Belgrade, he said.

In the view of the Croatian parliamentary president, decisive action by the international community would also bring about an end to the fighting between Muslims and Croats in Bosnia. "With their territorial gains, the Serbs have pushed the Muslims and Croats back into about 30 percent of Bosnia. This is the reason for the conflict between the two peoples." However, if the Bosnian Serb army were neutralized, this would remove all grounds for this conflict and the three peoples of Bosnia—Muslims, Croats, and Serbs—could live together again, he said.

However, Mesic also rejected any responsibility on the part of official Zagreb for the conflict in central Bosnia. "Croatia is certainly a factor which can have a calming effect, but it is not the guilty party." Muslims and Bosnian Croats should work closer together to preserve a unified Bosnia and to investigate jointly the excesses of this conflict. This must be vigorously supported by the West, Mesic said. Basically the most important question must be resolved: "If the Serbs are stopped, the war will also end."

### Article Views Chances for New Yugoslavia

*AU1306204493 Zagreb VJESNIK in Serbo-Croatian 1 Jun 93 p 11*

[Article by Ivo Jakovljevic: "Trading (Also) With Serbia"]

[Text] What is the third Yugoslavia like today, when we are marking almost three years since the beginning of the total Serbian aggression against other members of the former federation (except Macedonia)—almighty or hardly possible at all?

There is no single, simple answer to that question. The third Yugoslavia is a pure utopia for Slovenia and Croatia, especially after the horrors of war spread by the Serbian armada on the greater territory of the south Slav area. For most citizens of Bosnia-Herzegovina, not even Bosnia-Herzegovina is possible today, while most of its territory is under occupation, so it is understandable that very few people think about new associations of states. Regarding this subject, Macedonia said that it sees itself as a sovereign country, open for every kind of economic cooperation with all of its neighbors, but on an equal level. The so-called FRY, i.e. Serbia and Montenegro, talks about the third Yugoslavia most of all, but, as many factors indicate, in vain.

#### "The Third Yugoslavia in Four Ways"

There are four variants to making the third Yugoslavia possible. According to the first, within the limits of the former Socialist Federal Republic of Yugoslavia, it is possible as a national protectorate, provided that lasting peace is established on the entire area by means of an international military intervention whose primary political goal would be precisely the third Yugoslavia (and not only fighting the Serbian aggression). However, for the time being, that miracle is completely out of question, especially after the confused peacemaking initiative by the "five men" from the UN Security Council. According to the second, the third Yugoslavia is possible under the "protectorate" of Serbia as the regional gendarme (in a subvariant, perhaps in combination with the UNPROFOR [United Nations Protection Forces]). But for that kind of miracle, it is necessary to defeat Croatia militarily and for the Serbs to completely conquer

Bosnia-Herzegovina, which is also less and less feasible, and even less and less probable. According to the third variant, the third Yugoslavia is possible, also after the peacemaking military intervention by the allies ("against all belligerent parties"), but provided that it would, from the very beginning, be included in the NATO system of collective security. However, after the recent comeback of Russia on the international political scene, and after the revitalization of the distribution of interest spheres in the Balkans, that version become a utopia as well.

According to the fourth, the third Yugoslavia could also survive outside the system of collective security, as a system on its own (as once before!?), but this requires that, after almost a three-year war, everybody forgets what happened: more than 300,000 dead, more than 700,000 wounded, and 1.7 million displaced persons and refugees; war damage estimated at almost 150 billion dollars; and numerous war crimes; the horror of destruction, mass suffering, detention camps, rapes, plundering and arson; destroyed sanctuaries, damaged graves; destroyed childhood, lost futures.

The fact is that, after all this horror, it is only in the interest of Serbia to reincarnate Yugoslavia, from the Triglav to Gjevgjelia. It is paradoxical that Serbia as the aggressor and war plunderer is today the biggest economic loser in that very war (especially if, in that calculation, we also include the belligerent parties in Bosnia-Herzegovina). Milosevic's regime obviously does not have enough military nor economic strength to repeat the military conquest of the entire Croatia and the entire Slovenia, including the penetration into Macedonia. But the status quo, with cut-off communications, borders which cannot be crossed, international sanctions, its own economic depression, and hyperinflation is not in its interest either. Serbia is, therefore, both directly and through the Russians or Western mediators, offering that third Yugoslavia. In the diplomatic variant, for the time being, even without Slovenia (as distinct from the voices from Masonic lodges according to which Slovenia should also be a part of that Yugoslavia). However, Croatia refuses that utopia: politically, militarily, and economically—why?

**"Normalization—in Just One Way"**

After the horrors of war brought onto Croatia by the Serbian aggression, any kind of absolute reconciliation with Serbia would be sheer madness, which the people cannot except neither in the medium nor in the long run. The third Yugoslavia, conceived as a confederation with a joint army, diplomacy, currency, central bank, market, and customs-protection, is totally opposite to the present vital interests of Croatia: political and military, economic and civilizational. Therefore, with many reasons, Croatian authorities have for several months now been offering to their Serbian partners—instead of the pact on the third Yugoslavia—the normalization of relations between the Croats and the Serbs.

Peace is the principal goal of Croatia, but a lasting peace over its entire territory, and, on the other hand, open and versatile cooperation with all of its neighbors. Therefore, the normalization of relations between the Croats and the Serbs is Alpha and Omega of the "stable conditions," lasting peace, and good neighborly cooperation. However, Croatian authorities have stated their conditions, which are non-negotiable, for the normalization of relations with Serbia:

a) Serbia must immediately put an end to its aggression against Croatia and withdraw all its military forces from the territory of Croatia;

b) Serbia must recognize the Republic of Croatia within its internationally approved borders (Croatia would, at the same time, recognize Serbia and Montenegro);

c) in accordance with international law, Serbia must regulate the rights of minorities on its territory, as Croatia already did on its own territory; and

d) Serbia must show serious intentions to open all communication routes and to reestablish the entire infrastructure network toward Croatia (it must also influence the re-establishment of already blocked communication routes in the occupied areas of the Republic of Croatia).

Croatia and Serbia will, over the long term, be connected as neighboring countries by roads, railroads, river and air traffic routes, oil pipelines and transmission lines, postal, telegraph and telephone communications, as well as by open international transit of cargo and passengers. Before the war, Serbia and Croatia exchanged around 20 to 30 percent of their gross products, while during the war all their connections have been broken. However, one can suppose that, in the first couple of years of the normalization, the two countries would exchange between 3 and 5 percent of their national products and then, in the following two years, up to 10 percent of the national products. However, it is quite certain that, due to the objective consequences of war, that trade will not reach the level of 1989 for many decades! Therefore, the road to lasting peace on the greater south Slav area really does lie in the gradual normalization of the relations between Croatia and Serbia, not in some kind of a new Yugoslav (con-)federation, regardless of whether it will be with or without international protectorate. Anyway, the main export-import partners of Croatia have, for two or three years, been Germany, Slovenia, Italy, and Austria (participating with 60 percent in the total Croatian import and export!).

As things stand right now, it is possible to begin serious negotiations about the normalization of the relations between Croatia and Serbia immediately; i.e. already tomorrow morning, but the real beginning of the realization (in the ideal case) is actually feasible only in autumn. The sooner, the better (both for Serbia and for Croatia, but also for Bosnia-Herzegovina, and even for Slovenia and Macedonia). Trading (also) with Serbia? Yes, but on new, equal terms!

## Commentary Criticizes Washington Plan

*AU1406083493 Split NEDJELJNA DALMACIJA in Serbo-Croatian 2 Jun 93 pp 3-4*

[Ines Sabalic article: "The Balkan Time Bomb Was Set in Washington"]

[Text] The recent proposal, consisting of 13 items, by five member countries of the Security Council for solving the crisis in Bosnia-Herzegovina is known as the Washington Plan or the plan by the Five Men. Between the lines, it offers to sanction the Serbian conquests in Bosnia in order to establish peace in that region. If it is implemented, the plan would have catastrophic consequences for the Muslims and very unfavorable ones for the Croats in Bosnia-Herzegovina. It would also be unfavorable for the Croats in Croatia, because it splits the national sovereignty of Bosnia in such a way as to legalize the Serbian state in Bosnia, leaving the Muslims and the Croats to fight for the remaining areas, which are already unfit for independent existence.

Furthermore, regardless of the outcome of the Muslim-Croat conflict in Bosnia-Herzegovina, the plan of the Five Men, accepting the division of Bosnia, sets a precedent according to which the encouraged Serbs would request the legalization of the occupied territories in Croatia as well. The model has already been introduced by the referendum of the self-styled "Serbian republic" and by the decisions of the "Panserbian Assembly" at the "Sava" Center, and refers to the continuity of the national sovereignty of Yugoslavia at the moment when international recognition of the "FRY," but with altered borders, as envisaged by the plan of the Five Men, will be decided on.

### "Borders Are Determined With Tanks"

Such a decision would cause a new war between the Croats and the Serbs, which, if the constellation of interests remains the same, would be lead by Croatia against the will and the plan of the five major powers of the Security Council. As an alternative solution, the West could then offer a new association of the South-Slav countries in that region (except Slovenia), which still remains as an open possibility due to the Badinter's arbitration two years ago. At the time, Badinter's commission within the European Parliament decided that the Socialist Federal Republic of Yugoslavia no longer existed, but left the possibility of **looking for a political solution** for the protected areas in Croatia. Although many UN resolutions have additionally recognized the sovereignty of Croatia, the West is still inclined, as is evident from the plan by the Five Men, to set borders according to the position of tanks. The link would be achieved through the controversial areas: the present UNPA zones in Croatia, Serbian parastates in Bosnia, and the Croatian community of Herceg-Bosna, with the possibility of expanding the ring to Sandzak and Kosovo. Paradoxically, a divided Bosnia would enable the creation of a new Yugoslavia, which, of course, would not be called that, because the Croatian state and legal entity would be preserved, in a more or less decorative manner, as was the case with the Ukrainian and Belorussian states at the time of the USSR. At the same time, such a solution, which would provide de facto recognition of a greater Serbia, would offer to the West a possibility of removing the sanctions imposed on Yugoslavia, especially if, in the meantime, there would be a change in the ruling set of people in the "FRY." Therefore, a new set of people with democratic tendencies would come to power and they would enjoy the results of the dirty job done by Milosevic.

### "All Weaknesses of the Allies"

Since the realist political plan by the Five Men so radicalizes the crisis in the region, it is not very probable that it will ever be implemented. Moreover, the consequence of the proposition by the Five Men is, nevertheless, putting us closer to the final detonation in the Balkans, although in a roundabout way. The hypothesis can be based on the following premises:

The plan by the Five Men, consisting of 13 items, relies on three things. The distribution of observers along the border between Serbia and Bosnia, the establishment of six safe zones for the Muslims, and the establishment of an international war tribunal for war criminals. The plan is a combination of Russian and French proposals, which was announced by the Russian Minister of Foreign Affairs Kosyrev after the talks with Milosevic. Kosyrev got the mandate from the United States to make a peace plan, and its draft was supposed to present a grand comeback of Russian diplomacy to the international scene, provided that Russia appeared as a civilized, European country, sharing the responsibility for peace with the United States, which declaratively renounces the role of world policeman, and takes an important place in the new world order (for the sake of that new/old bipolarity, Germany, as a potential strongest partner of the United States in Europe, was out of the game). However, Kosyrev did not even succeed in persuading the Serbs to accept a condition of the plan by the Five Men—the international supervision of the border between Serbia and Bosnia. Furthermore, it is not possible to make a plan that would function and would provide real protection for the Muslims in the safe zones. Butrus Butrus-Ghali warned about the technical side of the problem, which, for protecting safety zones, requires not 3,000, as was originally offered, but 40,000 blue helmets. However, a highly thought of Croatian general estimates that, for the protection of six safe zones, it would take around 150,000 trained soldiers spread along the circumference of safe zones and along the corridors. That contingent should have to be supported from the air by fighter-bombers, the possibility of satellite observance, antiterrorist units, and by special police. One of the authors of project **No-Fly Zone** also thinks that, for the protection of safe zones, it would be necessary to expand the program with F-15E and A-10 fighter-bombers, because, according to his estimate, the present fighters are not enough.

The Serbs refused to obey Kosyrev, so Russian diplomacy did not manage to exert its influence and seize its chance. Furthermore, it put Russian diplomacy in the position of acting as a mentor to a criminal regime. It is not very likely that Russia, which, with its present government, is trying to get as close to the West as possible, wants that.

It seems that the plan by the Five Men was conceived in order to provide the international community with some kind of a starting point for a political solution; in other words, to unite the main allies. However, the plan acted as a litmus-paper, showing the weaknesses of the allies: apart from, naturally, being utterly immoral, which was already proven by the reactions of public opinion, the plan demonstrated the Russian impotence at the diplomatic table and disunited the European Community. At one point, Germany gave up demonstrating its own strength in order to maintain the balance within the EC. However, Paris broke the rule by getting too close to London and influenced Germany to, again, engage in the Balkan crisis, i.e. in favor of Croatia. We can especially count on the help of Germany, if we are willing to follow Kinkel's message about the civilized partnership relation with the Muslims.

Strong reactions to the plan by the Five Men were not confined to the protests of Western public opinion, which, according to the polls conducted in the U.S. and all Western European countries except Greece and Denmark, right after the proposal was announced, show that a large number of people approve of military intervention in Bosnia, definitely more than 50 percent. The American Congress could, at this point, support intervention in Bosnia, as announced not only by the most distinguished Republican Senator Bob Dole, but also by extremely reputable Democrat senator Daniel Moynihan. Intervention, which was never entirely rejected by the United States, could still proceed as planned. Intervention consists of two steps. The first step is to lift the arms embargo against the Muslims, and the second, to bomb Serbian targets in Bosnia until the Muslims are militarily equal to the Serbs.

**"The Great and the 'Orphans' In the Security Council"**

The problem with the plan by the Five Men is that it has never been authorized. The plan does not require the consent of the parties involved, as the Vance-Owen plan did. It simply proclaims that the five countries will act in a certain way. The five countries are, therefore, offering their operative program but composed in such a manner that it does not oblige them to implement it, nor does it oblige the Security Council to approve it. Moreover, the plan caused a kind of a blockade in the Security Council, because it is not certain whether it would get the qualified nine-vote majority. Five nonaligned countries could resort to the institution of the "silent veto," if, among the members of the Security Council, they find another two countries which would vote against the plan. China, a major power with a right to veto, will probably abstain from voting, as it always has done regarding European issues. Japan, one of the seven most developed countries in the world, will not go against its counterparts, and could vote in favor of the plan. It is not very likely that New Zealand, a member of the Commonwealth, would vote differently from its group. Hungary, a very friendly country, is, however, being blackmailed over its chances of being admitted to the EC, and it is unlikely that we will see it voting against the decisions of France and Great Britain. The nonaligned countries could find the vote of support against the plan in Brazil, which might want to act as a regional power and follow the politics of Venezuela, which will vote against the plan. However, those members of the Security Council, called the "orphans," in other word, countries that are neither superpowers nor non-aligned countries, usually act together in such situations, meaning that all voting options are open. Since the five superpowers cannot afford to loose the initiative imposed by the plan, they are against it being put on the Security Council agenda at all, and that is why there is no official declaration from the United Nations.

Apart from Germany, Turkey, Italy, Benelux, and the European Parliament, which are not satisfied with the plan, the Organization of the Islamic Conference (51 countries) are also opposed to it. The most interesting reaction among the Islamic countries, however, comes from one of the leaders of nonaligned countries. In the informal consultations at the UN, Pakistan suggested the consideration of the option, according to which some Islamic countries understand the West's fear sending their boys to war in the Balkans, and are, thus, willing to send their own units into Bosnia. Pakistan, a member of the Security Council, a regional military power, a pro-West Islamic country, though not a lay country like Turkey, due to its regional strategic functions, enjoys the great respect of the United States. Along with Pakistan, both Egypt and Turkey are willing to send their men to Bosnia. However, in the informal consultation, the offers of the first two countries are being considered first.

The will of the Islamic countries also induced the NATO generals to put the war plan for Bosnia on the agenda again, because they have an ambivalent relation toward the Pakistani and Egyptian divisions in Europe. That also explains the statement of the Commander of the European NATO Forces General John Shalikashvilly, who, right after the proposal by the Five Men, said that NATO is able to solve the problem militarily, if they are asked to do so...

**"Why Was Cosic Replaced"**

In the meantime, one of the consequences no one counted on is that the plan, which is most favorable to the Serbs, stimulated the disintegration of the political forces of Serbia and Montenegro. One of the main arguments for the replacement of Cosic was the fact that he had once, at Pale, advocated acceptance of the Vance-Owen plan, i.e. handing the Serbs to the West, which was not necessary because, as we can see, they are doing better every day, which is also evident from the plan of

the Five Men. According to U.S. analysts, the West is counting on the division among the Serbs, but it is not certain whether that was intentionally caused by the project of the Five Men. It is once again clear that the military defeat of Serbia is the only way to find a practical compromise in the region, as the U.S. substitute plan says. However, it is conditional upon the alliance of the Croats and the Muslims.

## Israeli Foreign Minister Peres Visits Slovenia

### Favors Lifting Arms Embargo

*AU1606163293 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 16 Jun 93*

[Excerpt] Israeli Foreign Minister Shim'on Peres is paying an official visit to Slovenia. He held talks with Foreign Minister Peterle and Defense Minister Janez Jansa today and was afterwards received by President Kucan and Prime Minister Dr. Janez Drnovsek.

Peres and Peterle held a news conference after the talks. Our reporter Drago Flis prepared the following report:

[Begin recording] [Peres in English, fading into Flis translation into Slovene] We recognize fully the independence of Slovenia in all spheres, Israeli Foreign Minister Shim'on Peres said after the courtesy phrases and continued: We cannot allow shadows from the past to haunt the future in any way. Each nation has the right to its own identity, of course, within the concept of open borders and international cooperation. We are convinced that Slovenia, too, will find its place here, the Israeli foreign minister said.

[Flis] Shim'on Peres also raised the very sensitive issue of the arms embargo, which still applies to Slovenia. He discussed this matter with Minister Janez Jansa. Namely, Simon Peres was for many years Israeli defense minister and is, among other things, also known for arming well the Israeli Army through the arms deals of a few decades ago. In the talks with Janez Jansa he said that he was intrigued by the Slovene defense structure. He was also interested in our arms structure. He believes that the arms embargo for Slovenia should be abolished as it is completely unjustified. It is more various threats than concrete enemies that loom over Slovenia; however, Slovenia has the right to self defense.

Regarding Bosnia-Herzegovina, Peres expounded on his concern for the development of affairs in this country. The bloodshed and the aggression, which must not be made to appear rewarding, should definitely be ended. The international community must not lift its hands from Bosnia with an excuse that it cannot accomplish anything. Within this framework one must also treat the arms embargo for Bosnia, which should be either reaffirmed or abolished, Peres said and here also reminded of the role of the media, as in Israel, too, they are carefully watching the suffering of the people in Bosnia.

The Israeli minister also presented his political vision. In his opinion the world will integrate into regional communities. America will (?spread to) the north and the south, the EC to Eastern Europe, while in Asia one can detect a Japan-China-India economic axis. In the Middle East, which is his domestic area, Peres optimistically sees emergence of a sort of Middle Eastern common market. Within this framework, religious conflicts—between Judaism and Christianity and between Judaism and Islam—will gradually be surmounted. [passage omitted] [end recording].

### Signs Cooperation Agreements

*TA1706131693 Tel Aviv HA'ARETZ in Hebrew 17 Jun 93 p A3*

[Report from Slovenia by Yehudit Winkler]

[Text] Israel signed its first aviation and cultural agreement yesterday with one of the countries that made up the former Yugoslavia. Foreign Minister Shim'on Peres and Slovene Foreign Minister Lojze Peterle signed the agreement in Ljubljana. Peres said yesterday that Slovenia will soon open an embassy in Israel.

Under the agreement, civilian flights between Israel and Slovenia, which were suspended with the outbreak of the civil war there, will soon be resumed. The agreement signed yesterday actually constitutes the reapplication of the agreement with Yugoslavia that had been in force prior to that country's dissolution.

Foreign Minister Peres, the first Israeli official to visit Slovenia, yesterday declared that Israel favors lifting the embargo on the sale of arms to Slovenia. He stressed that Slovenia is not politically or morally responsible for what is happening in other parts of Yugoslavia and that Israel, itself the victim of an unjustified boycott, can understand Slovenia's feelings. In his day-long visit, Peres also met Slovene Defense Minister Janez Jansa. The minister told Peres of Slovenia's fears in light of the unstable security situation in the region and also briefed the Israeli guest on the structure of the Slovene defense forces.

The government in Slovenia is especially concerned about the threat of air attacks and therefore seeks to purchase antiaircraft systems. Peres and the Slovene defense minister apparently devoted a major part of their meeting to this issue. When asked about this, the Slovene foreign minister replied evasively and said that he had not been present at the meeting.

The possibility of establishing a joint economic team from both countries, in a bid to look into possible fields for cooperation, will be examined in the near future. Slovenia seeks Israel's assistance not only to gain international legitimacy but also to attract investments to develop infrastructure.

## Farmers Threaten More Blockades; Negotiations Futile

*AU1706085293 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 17 Jun 93*

[Text] The negotiations between representatives of the Slovene Government, consisting of Davorin Kracun, minister of economics and development, Davor Valentincic, state secretary in the Finance Ministry, and Marjeta Urbancic, state secretary in the Agricultural

Ministry, and the Slovene farmers—the negotiations lasted until late at night—bore no results as both sides insisted on their positions.

The Slovene Government will reexamine the proposals of the representatives of striking farmers at its regular session today. The farmers announced more blockades of roads and border crossings; therefore, they plan to widen the strike even further. Beside the border crossings with Austria, Hungary, and Croatia the farmers tried to block Vrtojba international border crossing with Italy this morning, but were prevented from doing so by the police.

The farmers erected a semi-road blockade near Trzin and also gathered outside the government palace in Ljubljana.

### Appeal To Let Transports Pass

*AU1606080093 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 16 Jun 93*

[Text] Yesterday, in a special statement for the public, Slovene Prime Minister Dr. Janez Drnovsek stated that he does not dispute the farmers' right to demand higher prices for agricultural produce, although the deadline set by the State Chamber to the government for the implementation of the recently accepted strategy for development in agriculture has not yet expired.

However, Dr. Drnovsek believes that blackmail that violates the existing regulations and causes unnecessary economic damage even to those who have no connection with the agricultural problems is not acceptable. The use of inhumane methods of blackmail is particularly unacceptable. He, thus, appealed to the organizers of the road blockades to show some good will and at least allow unhindered passage for convoys with cattle.

### Special Forces Arrive

*LD1506180993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1214 GMT 15 Jun 93*

[Text] Ljubljana, 15 June (TANJUG)—Slovene farmers today blocked another two crossings on the Slovene-Hungarian border in continuation of their protest against government measures, which, as they believe, have destroyed agriculture.

If the government does not give in to their demands for an increase in purchase prices for meat, milk, and certain types of grain, the farmers will, as they announced, "capture" virtually all international border crossings between Slovenia, Hungary, and Austria by 19 June.

Due to the farmers' strike, freight traffic with Hungary has been suspended in Slovenia and is moving slowly in the direction of Austria.

Special Slovene police forces have already arrived at certain border crossings to forcibly remove dozens of tractors used by the farmers to block the traffic. By resorting to this move, the government wished to warn the strikers that it is ready to employ stricter measures and that it will not give in to their demands. The farmers are also determined to force the government by all means to change its economic policies.

### Government Not Planning To Exceed Budget

*AU1606104993 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 15 Jun 93*

[Excerpts] Slovene Prime Minister Janez Drnovsek at today's regular news conference spoke of the government's main tasks and the problems it faces. In the introduction he emphasized that the government continues to pursue the policy outlined in the budget memorandum, regardless of the pressures, especially to increase salaries and the prices of agricultural produce. Prime Minister Drnovsek also announced that he will sign a trade and payments' operations agreement as well as an agreement on legal property matters with the Croatian prime minister, probably toward the end of the month. Vesna Burnik reports:

[Begin Burnik recording] The government is responding to numerous pressures according to its firm resolution to continue with the stabilizing policy with a low inflation rate. The teachers were, thus, offered 26,000 Slovene tolars as the highest initial salary that the budget would permit, which Dr. Drnovsek described as the price of social peace. The prime minister expects that the planned budget deficit will not increase.

Similarly, the government will yield to farmers only to the extent to ensure that agriculture will not suffer more than other economic branches.

Regarding the inquiry into the work of Justice Minister Miha Kozinc, which the State Chamber will discuss next week, the prime minister said that it has no constitutional grounds. He also denied that he was to propose the replacement of Labor Minister Jozica Puhar and Davorin Kracun, minister of economic relations and development, at this session. He also said that he had no intention of dismissing Janez Sirse, chief of the Security-Information service. [passage omitted]

In the sphere of foreign policy the government is planning a meeting with Croatian Prime Minister Nikica Valentic toward the end of the month. Dr. Drnovsek expects to sign the trade agreement on that occasion, which will not entail free trade but will comply with GATT regulations, together with the payments' operations agreement. The prime minister optimistically announced that the agreement on property and legal matters will also be signed then. German Foreign Minister Klaus Kinkel will come for a visit on Friday [18 June]. [end recording]

## Federal

### Kontic Addresses Federal Assembly

*AU1606154293 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 16 Jun 93*

[Dusica Jovanovich report on speech by FRY Prime Minister Radoje Kontic to joint session of both chambers of the FRY Assembly in Belgrade on 16 June—recorded]

[Text] [Announcer] As we have already said, Radoje Kontic, chairman of the FRY Government, addressed a joint session of the two FRY Assembly chambers and presented a report on the economic and social situation in the country, as well as a proposal of measures. Dusica Jovanovic is going to present the highlights of the speech:

[Jovanovic] There will be no economic recuperation under the conditions of the implementation of Resolution 820 and the chances for mitigating the consequences are limited, Prime Minister Kontic said without making any special introduction. The situation in the country is not the result of the blockade alone, but also of the influence of some internal factors exerted over a period of many years. At the beginning of the last decade, the economies of Serbia and Montenegro had become particularly dependent on the former members of the federation. Now, with Resolution 820, Yugoslavia is hermetically sealed off, many of its resources abroad are blocked, and all opportunities for an economic development brought to a critical limit. This is why, according to Kontic, it is necessary to rely on domestic forces in this situation. Saying this, the federal prime minister emphasized the role and responsibility of the state:

[Kontic] On the one hand, it must prevent the present [word indistinct] of the social property, and at the same time create conditions for opening a process of a more efficient management with the entirety of the available assets and resources. In doing so, one must all the time keep in mind the need to preserve as much as possible the elements of market operations [trzisnost] and the market infrastructure as a foundation for a swift reintegration into the world market after sanctions are lifted [word indistinct].

In the situation when we cannot rely on the international community to help us and when we cannot expect performance of the economic system to improve considerably over a shorter period of time, we are de facto left with economic policy as a basic foundation for overcoming the economic and social crisis. In fact, the economic policy thereby loses two firm supports and, besides, under the conditions of the population being constantly impoverished it must [word indistinct] not only economic, but above all social aims.

Considering all circumstances, our aims must be modest, both in the economic and social sphere. In the effort needed attain them, though, they are, I would say, extremely difficult and extremely complex. In a word, these aims in fact boil down to mitigating negative economic trends.

In the economic sphere, the aim that must be set is to gradually leave the zone of hyperinflation and reduce this inflation to the level of under 50 percent per month, as well as to gradually slow down and if possible stop the further fall in production.

Even under the condition that economic aims are successfully attained, one must not harbor any illusions that (?total tensions) can be relaxed more considerably. Therefore, the question of defining social aims is set here as an extremely delicate task. Of course, everything should be done with a view to creating conditions for an active social policy to the greatest possible extent.

[Jovanovic] Further on in his speech, Radoje Kontic pointed out that we are going to feel the consequences of sanctions long after they are lifted and that the reason for that lies in the fact that it is difficult to adjust to the (?plummeting) of the economic life. This is manifested as follows:

[Kontic] A gap between production and expenditure difficult to overcome [words indistinct] and this inevitably results in hyperinflation. A network of institutions, particularly in the market and financial spheres has (?grown) which rests upon dubious capital [spekulativan kapital] and upon a [word indistinct] system that came forth as a response on the part of the population and economy to the international sanctions.

Privatization and the overnight hoarding of wealth, which the state does not even have time to register, much less to channel it or tax it, are only some of the manifestations that are occurring on the surface of these stormy changes in our economic and social life.

Nevertheless, what is (?frightening) in all this is that, in conditions of hyperinflation, production, along with all other values, is most threatened. Hyperinflation develops speculation profiteering, and all other motives of a non-productive nature, thus drawing away the attention and interest of bankers, economists, the population, even a part of the state, from the effort to create a realistic social product.

Particularly chaotic consequences arise in the distribution and trade of this product, with unseen negative [word indistinct] and social consequences. This means that production has not reacted in the expected way to the issue, interest, customs, and other benefits of the economic policy in the former period. Channels of cheap money have for the most part gone into lucrative, non-productive ventures and personal expenditure.

The mechanism of channeling the primary issue itself contributed to this. It pointed to a certain [word indistinct] or reformation approach, although the intention had been to achieve profitable projects and to engage commercial banks.

[Jovanovic] In order to avoid the continuation of what has been happening so far, macroeconomic policy in the future must be uniformly conducted in all of Yugoslavia, because this is the only way in which to avoid the confrontation of economic policies on the federal and republican level, stressed Radoje Kontic. This is also a key requirement for changes which are necessary for putting an end to the economic downfall. It is also necessary to coordinate republic regulations with the Yugoslav Constitution in order to stop the further breakdown of the legal system. Moreover, it is necessary to secure the realization of the federal state's functions, in the real sense, since republics still have jurisdiction over certain important domains like the monetary system, payment system, and state security. After this he presented the draft of the measures drawn up by the federal government.

[Kontic] First, the slowing down of the decrease in production; second, monetary policy. In the second part of this year, monetary policy will primarily have the function of decreasing hyperinflation on one side, and on softening the decrease in production on the other side. All channels of uncontrolled primary issue will be strictly curtailed, the purposeful use of loans will be secured, as will the control of the payment system in the country, primarily from the angle of its influence on the flow of money.

The Federal Republic of Yugoslavia's National Bank board of governors, in cooperation with the federal government, will draft a proposal for monetary policy in the next period by the end of this month. It will also establish the quantative tasks of monetary policy, which will be coordinated with this program, and it will take the necessary steps for its implementation. The passing of the Yugoslav National Bank bill is crucially important for the stability and survival of this policy.

The Yugoslav National Bank's redemption rate for June will be 120 percent, while in subsequent months, it will be coordinated depending on the anticipated increase in prices and the fluctuation of interest rates on the money market. Lower rates will be secured for selected agricultural needs. Depending on conditions present on the money market, interest rates of commercial banks will be freely formed. However, interest rates that are significantly raised in relation to the interest rates on the money market will be progressively taxed.

Necessary measures will be taken to ensure that foreign currency funds of the republican national banks, authorized banks, firms, and other legal persons, are placed at the disposal of the country's foreign currency reserves. In conditions of the blockade of import-export flow, the basic goals of the updated policy of the dinar's foreign currency exchange rate are established according to the replenishing of the Yugoslav National Bank's foreign currency reserves, so that they can be used for the country's priority needs, as well as the reinstatement of foreign currency flow into the legal financial sphere, while retaining the dual exchange rate.

Having this goal in mind, the dinar's exchange rate that would be applied in foreign currency transactions, in convertible foreign currency, would be freely formed on the basis of the relation of supply and demand on an interbank meeting of the foreign currency market, as well as on the basis of the established economic policy. At its session held overnight, the federal government, having consulted and obtained the accord of the republican governments, and keeping in mind the Yugoslav National Bank's proposal, came to a decision that the dinar's mid opening price in relation to the dollar will be 1,100,000 dinars.

The dinar exchange rate in relation to other convertible currencies would be established according to the principle of the correctly broken cross rates. Changes in the dinar rate of exchange would be made at the meeting of the banks of the unified foreign exchange market to the tune set by the National Bank of Yugoslavia. The exchange rate set in this way would be applied to all financial and business transactions with other countries, as well as the sale and purchase of foreign currency at home. Since the National Bank of Yugoslavia is trying to build up foreign exchange reserves, the dinar rate of exchange is set to be above the black rate, because it is thought that this is the only way to increase the reserves of the central bank, which indeed need to be increased. The National Bank of Yugoslavia has already taken or will take special measures in order to accomplish this aim.

The opening exchange rate of the dinar for settling debts and collecting liabilities in the clearing currencies, for customs and other import duties, and the dinar payments of the foreign currency savings was set at 664,000 dinars to the dollar on the basis of realized price disparities between the last adjustment of the exchange rate and 15 June of this year. As in the past, this exchange rate will be set by the National Bank of Yugoslavia periodically, and at least once a month.

On the basis of its powers contained in Article 24 of the Law on Foreign Exchange Dealings, the federal government will adopt rules concerning the order of priority in settling debts. The National Bank of Yugoslavia together with authorized banks will provide foreign currencies for this purpose.

Third, public expenditure. One of the key parts of the program is to bring the public expenditure into the available material frameworks, which correspond to the estimated available gross domestic product [drustveni proizvod] and the projected price increases until the end of the year. It was obviously not possible this time to make a more radical move concerning the rationalization of the total public administration, or the three states, that would imply the unification or abolishing of a number of institutions in the sphere of state administration, education, culture, health, and so forth.

However, this project could be started by reexamining the network of all institutions and the rights of the

recipients of the public money, and urgently propose certain rationalization at all levels.

Fourth, the price policy. Within the program of further measures of the economic policy, a unified price policy is finally being established for the entire country. In doing this, and in accordance with the law, we took into account the enormous rises in prices and the exchange rate of the dinar, which were competing with each other, and especially the fact that in the last two days alone the price of over 7,000 articles increased several times. This is only accelerating hyperinflation. The essence of the economic measures in this sphere consists of the following:

The extent of price controls (?is made) to correspond to the depth of disturbances in the market and in the sphere of prices, especially because of monopolistic behavior. In this, market impulses are fully considered. The price of goods and services that is set on the basis of common criteria—according to Article 3 of the Law on the System of Social Control of Prices—or the market criteria—according to Article 7 of the aforementioned law—will be at the level that existed on 15 June 1993.

The basic foodstuffs will remain in the regime of direct control of prices carried out by the republics, taking into account the general price rises and the favorable treatment these products have or will have in the economic policy. Some products, particularly bread and milk, will be partially subsidized, in order to keep the price at the socially tolerable level. Alternatively, we will increase social help in terms of money or goods to the most threatened strata of the population.

Fifth, the wage policy. This policy must also be adapted to the program as a whole and the total distribution of the gross domestic product. The drastic fall in real net earnings this year of about 40 percent will be offset so that their real fall at the annual level does not exceed (?25 percent).

In doing so we will make sure that the lowest earnings experience the lowest possible fall in real terms.

In this way the share of net incomes in the gross national product would be (?established) as an anchor, at 18 percent, in comparison with last year, when it was 21 percent. The average and minimum monthly salaries will be set in the republics. On the basis of this, it will be possible to follow and control pay raises in the period ahead, and, in accordance with that, adjust and harmonize the republican regulations. The amount of compensation for the workers who are on forced annual vacation will be changed and the so-called other personal income will be significantly reduced. So will the way the salaries are paid. They can be paid several times a month, and so forth.

All these issues are in the republics' spheres of competence. In this context, the federal government is not proposing to limit the range of incomes, but proposes progressive taxation when the range of incomes exceeds the 1:4 ratio.

Financial transactions. In order to be more successful in raising revenue, in the process of preventive control we should, on the basis of the changes in the republican regulations, authorize the department dealing with financial transactions to determine the current situation and devise programs for efficient collection of tax. This is an extremely painful point. In order to reduce the amount of cash in circulation we should devise a system of money transactions between the owners of giro accounts according to which there would be no cash transaction.

[Jovanovic] These are the measures proposed by the federal government. At the end, Prime Minister Radoje Kontic said that positive shifts could be made even in the (?unfavorable) economic conditions at present.

## Russian Prime Minister Urges Political Solution

*LD1606183693 Belgrade TANJUG in English 1750 GMT 16 Jun 93*

[Text] Belgrade, June 16 (TANJUG)—In a message to Yugoslav Prime Minister Radoje Kontic, Russian Prime Minister Viktor Chernomyrdin said he was certain that the crisis in the war-torn former Yugoslav Republic of Bosnia-Herzegovina would be resolved using political methods, regardless of its dramatic complexity.

The Russian ambassador in Belgrade Gennadiy Shikin presented Chernomyrdin's letter, which was an answer to a letter by the Yugoslav prime minister dated April 23 on the stands and efforts of the Yugoslav leadership on the resolving of the crisis in Bosnia-Herzegovina.

In a lengthy and friendly talk, the prime minister and the Russian ambassador discussed the deployment of international observers around Bosnia-Herzegovina, the mission of the Conference on Security and Cooperation in Europe (CSCE), the status of the United Nations Protection Force (UNPROFOR) in Yugoslavia, and the lifting of the sanctions against the Federal Republic of Yugoslavia which were introduced in May last year.

Prime Minister Kontic informed Shikin about the latest measures introduced by the Yugoslav Government in the area of the economic policy.

## Commentary Questions Serb-Montenegrin 'Rift'

*AU1706101393 Podgorica MONITOR in Serbo-Croatian 11 Jun 93 pp 5-7*

[Zeljko Ivanovic commentary: "The Seselj Enigma"]

[Text] When, during the night that Dobrica Cosic, president of the unrecognized Yugoslavia, was toppled, Dr. Novak Kilibarda, leader of the People's Party and deputy in the Chamber of the Republics, implored deputies of the social-radical coalition not to endorse the

already proclaimed decision of their ideological brothers in the Chamber of Citizens. He invoked only one argument—with this act, he said, you gentlemen will be adding grist to the mill of the "strong separatist forces in Montenegro." It was obvious that, with the toppling and trampling of the "people's writer," the disregard for "our vote" (although withheld) in the federal parliament and the humiliation of the deputies of the most influential Montenegrin party, even the most vehement supporters of the so-called unified state were faced with the dilemma: Is there any hope after all this?

**Lekic's Sparring**

The very next day, Momir Bulatovic, president of the Democratic Party of Socialists [DPS], appeared in person in the federal parliament, which in itself shows how much grist had been heaped on the mill. Even when he informed the journalists, in the way he has, that there is "strong pressure from parliamentary parties in Montenegro that do not take part in the work of the federal assembly" to reexamine its method of work, or—in translation—the necessity of the Montenegrin delegation to continue to be present in the highest chamber, many observers, both biased and objective, saw Montenegro on the "Slovene road." Those with the longest memories immediately recalled the 14th Congress of the League of Communists when the Slovene brothers had walked out in tears. The session was chaired by Bulatovic who, without waiting for Comrade Lokar and the others to leave the hall, cold-bloodedly informed the session: "Good, let us continue working...." Nevertheless, even though the Montenegrins have justifiably deserved this destiny, it may not easily befall them simply because "we are not Slovenes" (Bulatovic again)—not because they would not (so easily) burst into tears, but because they would always find some new "historical reason" to continue to stay and suffer all manner of insults and humiliations.

This has even been confirmed in practice. Is the ghettoization of this territory and the branding of its citizens as world lepers, not the greatest humiliation that can happen "here and now"? Minister Lekic nevertheless says that "Montenegro could not be prompted to leave the federation by the knowledge that it would thus be freed from the embargo." "Montenegro would, under no circumstances, leave this alliance with Serbia in order to live better, in order to rid itself of the sanctions," Lekic told the Spanish ABC, adding that "there can be no such problems while the individuality of Montenegro, its name, and its autonomy in the new federation are respected." "At the moment, no such problems exist," he concluded. Some days prior to this, Dobrica Cosic, former president of the FRY, announced in his "posthumous" public statement that "the federal state, if it is a state at all, is under the protectorate of Slobodan Milosevic and the Government of Serbia"! Lekic had to fall for this—and it was not the only—contradiction, because, to put it diplomatically, he obviously had instructions to blow "hot and cold" on his tour, in order to satisfy international factors, as well as to disarm the numerous malcontents at home.

It seems that such a policy is still "running," so, as the leaders of the DPS have probably judged, there is no reason to change it. The latest parliamentary session, devoted to the sanctions, actually confirms that the Bulatovics will remain on the so-called "middle road." Therefore the DPS deputies' open opposition to the havoc wreaked by the coalition of the SPS [Socialist Party of Serbia] and the SRS [Serbian Radical Party] in the federal assembly was very surprising. It is true that Marovic said that "there is no reason for the deputies from Montenegro to feel humiliated and insulted in their country's parliament" or that "the equality of Montenegro in the FRY cannot rest on a number"; it is true that Bulatovic said that "he had nothing to add to this"; it is true that the DPS initiated a meeting of parliamentary parties and the adoption of a "joint statement" which condemned and rejected as unacceptable the modus operandi in the federal assembly. All this is true, but it does not automatically mean, as some international agencies have been saying, that "Montenegro is destroying Milosevic." It would indeed be interesting to know what Bulatovic said to Milosevic at a meeting of the Supreme Defense Council after his outburst of fury at the work of the federal assembly and the behavior of the ruling coalition, particularly the Radicals. Bulatovic himself said that he had received the compromising shorthand notes from the meeting between Cosic and the generals at the same time as Milosevic. That means that he knew. This is not surprising because, contrary to official statements, Bulatovic was always much closer to Milosevic than to Cosic for purely practical reasons—he is well aware in whose hands the power lies. It would not be surprising that, in the best case, Bulatovic had "played the idiot" in front of Milosevic and, in the worst, that, like an old and faithful fellow fighter and executor, he had made joint plans with him. Therefore AFP was much closer to the truth when, on the day of Cosic's dismissal, it reported that the main reason for Milosevic's coup was in fact the opposition of the president of the FRY to Montenegrin stands regarding the establishment of observers on the border with Bosnia.

**What About the Radicals?**

Milosevic obviously has big problems with remolding the Serbian public opinion that is the product of many years of his propaganda, so, therefore, he is not doing this directly in "big doses," but through Montenegro. What, for example, would happen to Milosevic if he were to abandon the project of "all Serbs in one state," in order to devote himself solely to the problems of the current Yugoslavia in peace. The world powers would be the first to offer him support, Bulatovic would zealously take up his new task, and the opposition, both the Serbian and the Montenegrin, would virtually be left "without a text"—the former in its demands for the end of the war and for democracy and the latter in its

demands for sovereignty and freedom (not in the philosophical sense). It would also mean that relations between the DPS and the SPS—which also means between Montenegro and Serbia—would be much clearer if Seselj and his Radicals were not between them. That is to say, the extremely contradictory attitude that the Serbian and Montenegrin Socialists have toward them, whereby Milosevic considers Seselj to be "his favorite opposition leader" and Bulatovic takes every opportunity to stress that Seselj (and his followers) "will not succeed" with him, leaves unanswered the question concerning the depth and even existence of a conflict between the leaders of the two ruling parties.

**The Opposition With Tied Hands**

From the outside it looks like the DPS is entering such an open conflict with the Radicals more for the sake of the SPS than for their own sake, which, it could be said, is confirmed by the numerous calls that Bulatovic has made to his socialist brothers to shun the Radicals and return to the "old fold." One thing is clear, however: Milosevic will find it difficult to carry on as before with Seselj in Serbia and Bulatovic in Montenegro because the conflict between these two is exposed and ferocious. The fact that the police were "let off the lead" in order to find out what even the birds in the trees knew—who the organizer and perpetrator of the chauvinist attacks on the Niksic Muslims was—perhaps best confirms that the conflict between the DPS and the SRS has entered an extremely serious phase. If this triangle then involves Milosevic, a new dilemma is created connected with the key element in the relationship between the Montenegrin and Serbian leaders: Is Bulatovic going for Seselj on his own initiative—which has never been his way and is not in keeping with his character—or is he being assisted by Milosevic in this respect, preparing the ground for his possible showdown with the Radicals!? There are obviously many ambiguities. It is difficult to believe, especially when it comes to the DPS, that some strategy, plan, or something similar has been conceived—one could rather talk about the continuation of a policy of anticipation in which little depends on the politicians themselves.

The situation is similar, at least regarding strategy, with the opposition here. The People's Party for whom Rade Bojovic, Socialist Party [SP] deputy in the federal assembly, says that it is "close to the belief" that a unified state is impossible, seems rather to be slave to [the last king of Montenegro] Nikola's old saying "never without Serbia, never under Serbia." All their anger, which the other Serbian parties treat as "treacherous behavior," is purely the anger of an opposition and not at all of patriots. They thus heap all the responsibility on the government, but the government, and not the state, is the only thing that they would change. The democratic nature of the leaders of the People's Party, which is a result of their emancipation and is emphasized so much on the main stage, quickly falls by the wayside when, for example, they go to Zabljak where they talk to their members and sympathizers mainly about the danger of "Yugoslavia being destroyed by Montenegrin separatists." Therefore all reliance on the People's Party, not in the sense of support for the concept of a sovereign Montenegro but only in the sense of respect for the will of citizens that may be expressed in this way, is on shaky ground because as Kilibarda often says "the People's Party has staked all its dignity on the creation of a unified state." It is therefore clear what the disappearance of this state would mean for this party, just as it is clear that [word indistinct] of this policy and leaders which for the sake of even the "highest aims" would agree to their own disappearance from the main political scene. Therefore, while we are still in some kind of Yugoslavia, the People's Party can look like democrats—but the question is whether they would remain so in the case of the "separation" of Montenegro.

The trio of Montenegrin parties—LSCG [Liberal Alliance of Montenegro], SPDR [expansion unknown—"Reformers"], and the SP—continues to support the policy of the DPS as "currently the optimal option," but they are not sure, especially after statements like the aforementioned one by Lekic, that they are on a good road. It seems that the Socialists are more realistic in this respect and therefore more patient, while the Liberals and the Reformers are alarmed by the gulf between the desire for sovereignty and the inability to realize this, especially so quickly. This is why more and more noise is coming from those who have "always" claimed that "the DPS is good for nothing" and who are calling for the Government to be abandoned and for a hard—"opposition"—stand to again be taken toward the ruling party. It seems that, in this case, the question of time is crucial—the Montenegrin opposition seems simply unable to accept the fact that there has been one referendum and that, as Premier Djukanovic put it, this question cannot be repeatedly "raised every day." So, it needs to devote itself to thorough work and to preparing the ground so that when a new referendum is called it is successful. Regarding the issue of sovereignty—Djukanovic did not say this of course, and probably did not think it, but it seems quite acceptable.

**Who Instead of Cosic?**

Even though a lot of fuss was made by the dismissal of Dobrica Cosic and especially the way in which this was done, real sparks could yet fly in the relationship between Montenegro and Serbia when it comes to the selection of the new president of the unrecognized Yugoslavia. All existing dilemmas could then easily be resolved, especially those involving Milosevic's preference for the radical—Seselj—or the democratic—Bulatovic—option. Regarding the rumors that Milosevic will now work toward bringing down Radoje Kontic [federal prime minister] so that a Serb can be made prime minister and a Montenegrin, that is Branko Kostic, can be made president, Bulatovic has said that dismissals should "now be stopped" because "this does not lead anywhere." It is very probable that Milosevic shares this view, because why would he now put the boot in to Montenegro when he has so many other problems,

and Bulatovic, with only a little attention, could be as obedient as Kostic? Someone will say that Bulatovic "is too obstinate" and that this could be fatal for him because Milosevic cannot stand this partnership, but it is difficult to believe that the "bright" man from Moraca does not know how far he can go. In an unofficial interview, Risto Vukcevic once said that Milosevic had told him that they could do anything "but absolutely not secede," which diminishes the unusual "robustness" of the Montenegrin leadership toward official Belgrade and portrays the "depth" of the supposed rift with Milosevic.

### Serb Leader Urges 150,000 Hungarians To Leave

*LD1606204893 Budapest DUNA TV in Hungarian 1400 GMT 16 Jun 93*

[Excerpt] The situation would be better if 150,000 Hungarians left Vojvodina. This is what the chetnik Seselj Duke said in the Yugoslav parliamant. [passage omitted]

### Government 'Astonished' by GATT Expulsion

*LD1606205293 Belgrade TANJUG in English 1950 GMT 16 Jun 93*

[Text] Belgrade, June 16 (TANJUG)—The Yugoslav Government on Wednesday expressed indignation at the decision of the GATT council to expel the Federal Republic of Yugoslavia from the GATT council and its subsidiary bodies, and expressed hope that the decision will be re-examined and changed in compliance with the principles contained in the GATT preamble.

The Federal Republic of Yugoslavia stresses its full readiness and resolve to continue to fulfil its obligations provided for by GATT and, in particular, to take an active part in the negotiations within the Uruguay round, the Yugoslav Government said in a statement.

The Federal Government also said that the decision was unjustified and in contravention of the basic principles and provisions of GATT. Furthermore, the decision was taken in an inappropriate procedure which can result in negative consequences for the future activities of GATT as an agreement deprived of political considerations and thus have a negative impact on the functioning of multilateral trade as a whole, it added.

"In the present conditions, when recovery of the world economy greatly depends precisely on the stability and openness of the multilateral trade system ... such actions and practice can have an averse impact on its stability and on the entire world economy, including economic cooperation within [word indistinct] as an essential precondition for peace and stability in the region," the Yugoslav Government said.

Immediately after the promulgation of the constitution of the Federal Republic of Yugoslavia, the Yugoslav Government advised the director-general of GATT that it would strictly observe all international obligations assumed by former Yugoslavia, including those stemming from international agreements. This also means that the Federal Republic of Yugoslavia accepts the obligations as a contracting party to GATT since 1966, the Yugoslav Government explained.

Yugoslavia is astonished at the latest GATT decision, especially because it has continued to fulfill its obligations under GATT despite the present difficult situation in which it has found itself because of the unfair sanctions and total isolation by the international community, the Yugoslav Government said.

### Devaluation of Dinar, New Exchange Rate Announced

*LD1606120593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1038 GMT 16 Jun 93*

[Text] Belgrade, 16 Jun (TANJUG)—The dinar was devalued at last night's federal government session, TANJUG reports. According to the new exchange rate, 1 German mark will buy 700,000 dinars.

The government also decided to place around 80 percent of prices under a special regime. Only two intermediaries have been authorized for the sale of basic foodstuffs.

It has also been decided that only six authorized banks can purchase hard currency for the needs of the Yugoslav National Bank.

More details on the federal government's measures will be disclosed by Prime Minister Radoje Kontic at a session of both Federal Assembly chambers, expected to begin this afternoon.

### First Results Expected

*AU1606124693 Belgrade Radio Beograd Network in Serbo-Croatian 1200 GMT 16 Jun 93*

[Text] At the session of the Chamber of Citizens and Chamber of Republics of the FRY Assembly, Federal Premier Radoje Kontic confirmed that the government passed a decision to change the exchange rate of Yugoslav dinar last night. The exchange rate will continue to be formed freely on the basis of supply and demand. The present initial median exchange rate for $1 is 1,100,000 Yugoslav dinars, while the exchange rate used in calculation of customs duties and foreign currency deposits is 664,000 Yugoslav dinars for $1.

The increase of the exchange rate above the black-market rate was unavoidable as this was the only way to increase the foreign currency reserves of the National Bank, Federal Premier Radoje Kontic said. Let us listen to what Kontic said to journalists after submitting his expose:

[Begin recording] [Kontic] As you have heard in the expose, all participants in the public expenditure are obliged to examine all possibilities for the reduction of public expenditure in a very short period of time, because this is a prerequisite for the lowering of hyperinflation.

[Unidentified reporter] Is it correct that this is one of the the main reasons for the present inflation rate?

[Kontic] Absolutely! Doubtless!

[Unidentified reporter] When do you expect the first results?

[Kontic] We have already passed these decisions last night, therefore, the results are expected in the course of the day, when we should see whether we were wrong about the foreign currency exchange rate of Yugoslav dinar, prices, and so forth. These are all the decisions that were passed in the course of last night and came into effect at (?2400) [2200 GMT] this morning. [end recording]

### Danger of Civil War Examined

*93BA1097D Belgrade BORBA in Serbo-Croatian 29-30 May 93 p 9*

[Article by Nenad Canak: "Those 'Devoted to Serbism' Against Those 'Loyal to Serbia'"]

[Text] Yugoslavia is to blame! In the end, it will turn out that the unfortunate Serbs in the diasporas, the "Dana and Mana" people, are to blame. They are all to blame, then, solely because the concept of the "great homeland" was not achieved, not because it was unachievable! In spite of the fact that, as the "servant of the people" himself has acknowledged, a "seventh war...to achieve that objective" is being waged!?!

And so those least to blame are those who in repeating it "conceived it" without seeing that it is unrealizable and tragic for the destiny both of the Serbs in the diasporas, but likewise and no less for the people "from the Morava" themselves.

Now, after all that has gone before, comes a "new strategy" of the great nationalists—a strategy of malevolent separatists, who are the former disappointed centralists, who once again for the umpteenth time know best the interests of the people "from the Moravas"!

Except that now those over there, "across the Drina," are supposed to decide about us just as decisions have previously been made umpteen times on the "Moravas"! The first time to go to war (because we always win in war), the second time, utterly the opposite, to refrain from war (because now supposedly we gain in the peace). Oh, dear God, how is one to figure out all this?

The "friend of the people" will speak as follows in this context: "You are deciding today about the Federal Republic of Yugoslavia, about that country's future."

So, the decision about us is to be made by Karadzic, Koljevic, Biljana Plavsic, who will go down into history as the author of a plan to destroy half of her own people in order to save the other half, and by General Mladic, who aside from Hitler is the only one to ever think of bombing London!!?

But what is the "friend of the people" going to say if that mad general lowers the sights of his guns somewhat and fires at Belgrade! My "patriotic" contribution would in that case certainly consist of revealing the bearings "on the hill" where the villa of the "friend of the people" is located.

In the "years of madness" we are experiencing, what has been happening in recent days can only be defined as the finale of an absurdity. Serbia's leadership has sponsored a number of wars, the disintegration of Yugoslavia, the death of hundreds of thousands of people, and many other evils and plagues. However, only Slobodan Milosevic's recent "attack of peacemaking" has really brought Serbia to the verge of civil war.

There has been talk for a long time about civil war in Serbia, mainly motivated by the philosopheme that "everything must end where it began, in Serbia." The problem all along has been that the potential parties in such a war could not be defined and the point of departure in the predictions was always the assumption that the conflict would have to be between the "administration in power and the opposition." No one even thought about the "scoundrels in their ranks."

Serbia has never defined its relations with the "republic of Serbian Krajina" [RSK] and the "Serbian republic." Those territories are not formally part of the FRY [Federal Republic of Yugoslavia], which by definition means that they are outside the FRY, that is, that they are the territories of other states. Nevertheless, it is customary practice for the soldiers from those territories to move freely about the FRY in the uniforms of their respective armies, frequently even armed. It follows that the attitude toward that foreign territory is not the same as toward some other foreign territory, because never (thank God!) have I ever seen in my country an armed soldier of another state except for them. (The UNPROFOR [UN Protection Force] is not counted anyway.)

And then there was a political conflict. The "president of the RS" was prevented from entering the FRY (but not his soldiers), the FRY will no longer aid the RS militarily. The army of the RS, along with the rest of the inhabitants, will begin to endure more and more. The only one who has been supporting them in their "just struggle" is the president of the Serbian Radical Party [SRS], who on that behalf has already been organizing huge support rallies.

What will "Vojvoda Mladic" do when he begins to suffer defeats on the battlefield because of the lack of support from the FRY? Where can he withdraw except across the Drina? It is clear that he will be welcomed there by "Vojvoda Seselj" and his ilk, along with all those who voted in Serbia in the referendum concerning the Vance-Owen plan on 15-16 May 1993. And what if then the "vojvodas" (accompanied by tanks and infantry) march on Belgrade "to spread the truth about the Serbian republic"? If they set out to settle accounts with the

"lesser-quality Serbs who have betrayed the Serbian people in the former Bosnia and Herzegovina"? Incidentally, if it is possible to threaten London and Washington (which can neither be reached nor targeted), what can Belgrade do when they have already practiced with Sarajevo for a year? Some of the units of the Army of Yugoslavia [VJ] (powerfully indoctrinated in the recent past with Serbian-nationalistic mythomania) would certainly join the "quality Serbs." The police would also be divided by the same insane principle into "forces loyal to Serbia" (Slobodan Milosevic's stage name) and "forces devoted to Serbism" (the working alias of the Karadzic-Mladic-Seselj axis). Those "forces" would kill one another with unprecedented ferocity as morbid evidence that from the very beginning the issue in these wars was neither "Serbia" nor "Serbism," but all of this up to now has only been an unscrupulous struggle for power.

It is clear that the "forces devoted to Serbism" would prevail. In spite of the unprecedented skill of Television Serbia to turn obvious defeats into victories, it would be hard to explain to viewers that those who until yesterday were the "threatened brothers from the left side of the Drina" now represent a danger to Serbia which must be opposed with arms. Mobilizations of reservists would be boycotted to a man, and those who nevertheless were caught would either flee from fear or surrender. An immense wave of refugees would flow toward the countries of West Europe and the United States. At this point, it is not even important whether the encounter in Belgrade would end with Milosevic's flight from the country or grave bargaining. Fear and terror would spread as they made their way to Belgrade, and those who were not of like mind in the places through which they pass would be physically eliminated.

Here is what foreign military observers are saying about the strength of the possible sides to the conflict:

"The Army of Yugoslavia has 20 divisions, or about 100,000 men, 1,000 tanks, and the same number of armored personnel carriers, as well as a large number of artillery pieces and mortars. However, the VJ has serious problems with qualified personnel, and it is particularly weak with respect to infantry, as well as in the combined action of the various arms of the Army. The Air Force suffers from a chronic inability to service its aircraft.

"The armed forces of the RS possess 70,000 well-trained men, 300 tanks (mainly T-55's), 200 armored personnel carriers, and more than 500 artillery pieces. The collaboration with Seselj's paramilitary formations is well-known, especially in the ethnic cleansings in eastern and northern Bosnia."

The sanctions of the international community, which are being administered ever more strictly, and additional ones will probably be applied, merely favor this development of events. Within Serbia, there is growing dissatisfaction with "enduring isolation because of the obstinacy of the Bosnian Serbs." In the RS (because of the cutback of aid), there is growing dissatisfaction "because of betrayal," and hunger is knocking on every door.

Following the failure of his ambitious dream of taking over the SFRY by taking over the LCY [League of Communists of Yugoslavia] and his failure in taking over "truncated Yugoslavia," now he can no longer say that he represents the "interests of all Serbs." Now, he rules only a tortured Serbia. Does this mean that his next step in scaling back his ambitions is "return to base," that is, to the Belgrade committee (this time it would be called the Belgrade pashaluk)?

If "that time" had come now, Seselj would have "hanged himself in prison" or "been killed while attempting to flee." Or he would have "died tragically in an inexplicable car accident." No Seselj, no "welcoming committee" for Mladic. The question is not whether Milosevic would be up to that should it be necessary, but whether he is any longer even able to do it?

The object lesson is clear. No political weapon used once is exhausted when the first goal is achieved, but it continues to live until it wears out naturally. This applies not just to a man, but to an entire country and millions of people. Civil war in Serbia can be prevented only by urgently creating a government of national salvation, by prohibiting the operation of fascist parties, through urgent negotiations with the international community, and by depoliticization of Television.

Otherwise the "people chosen by heaven" will truly become heavenly.

## Pros, Cons of Balkan Federation

*93BA1074H Zagreb DANAS in Serbo-Croatian*
*21 May 93 pp 22-23*

[Article by Marko Barisic: "The Phantom of a Third Yugoslavia"]

[Text] The disintegration of Yugoslavia was brought about by the principle of the right of a people to have total self-determination, including the right to secession. Referendums in the individual Yugoslav republics, which became plebiscites, created the preconditions for the creation of independent states, and thus the express will of the people was legalized in parliamentary decisions. Motivated by that development of events, in July 1992 Europe acted through a commission of the EC headed by Robert Badinter and expressed the position "that the process of disintegration of the SFRY, mentioned in Opinion 1, dated 29 November 1991, has been completed and it should be concluded that the SFRY no longer exists." It was also said that none of the new states had the right of inheritance, and that the debts and property were to be divided among the successor states "in fair proportions." Today, the new states (Slovenia,

Croatia, Bosnia-Herzegovina, and Macedonia) are internationally recognized and members of the United Nations, except for the FRY [Federal Republic of Yugoslavia].

That should have ended the story of Yugoslavia, and within the context of the joint "security system" the international community should have set mechanisms in motion to bring the actual state of affairs into conformity with the new political reality to which it had affixed its signature. Instead of that, in Bosnia-Herzegovina, and also in Croatia, a wartime status quo has been created as the consequence of Serbian aggression. UN peacekeeping forces are "guarding" the captured areas and collaborating with the "local authorities," and world public opinion seems to have already become accustomed to use of the words "atrocity" and "ethnic cleansing." Instead of a specific action to combat and punish the aggressor, international factors are constantly organizing negotiations between the criminal and the victim in which there is nothing about which to agree. There is procrastination with regard to finding a solution to the crisis and the war, and in the meantime rumors are floating about the reestablishment of a "third Yugoslavia" as the model that would best resolve the crisis, stop the war, and satisfy the partners.

This is the model: Politically, all the states would be independent, but the sovereignty of all of them except Slovenia, which only perhaps would be a member of the "third Yugoslavia," would be "diminished" in that they would be organized in a confederation. Croatia would have Krajina as a confederal unit; Bosnia-Herzegovina would be composed confederally, made up of ethnic provinces; Serbia Kosovo would have confederal status, and Macedonia would also be a confederative state, because western Macedonia with its Albanian majority would have special status.

So, it would not be a political union, but a customs union, monetary union, communications union... There would be no joint assembly; there would only be assemblies of the separate states, but all would also have assemblies of the confederal units. "Parcelized Yugoslavia" would thereby be created, Serbia would have to give up a part of Kosovo, but it would get two other Serbian states (in Bosnia-Herzegovina and in Croatia), so that after the partitioning of Croatia, Bosnia-Herzegovina, and Macedonia, it would remain the only force in this part of the Balkans, with economically powerless and territorially less significant neighbors, that would always be in a position to exercise economic and military blackmail.

The consequence of that state of affairs would be the establishment of a third Yugoslavia. That would amount to a political ratification of the Serbian aggression, which would certainly satisfy French President Mitterrand, because it would bring about what he advocated when he wanted to introduce "supreme power" over the lands of the former Yugoslavia within the framework of the London Conference on Yugoslavia. The essence of his "supreme power" lies in determining the rights of minorities on confederal principles. Mitterrand's attempt has fallen through for the present, but several solutions still hover over the area of the former Yugoslavia that do not preclude an attempt to revive it again.

There is evidence of this in the fact that the map of the world and also the maps of various states were designed by the antifascist coalition after World War II. This idea is still present in the public opinion of those countries and is evident by the fact that the independence of Croatia was recognized prematurely and that the Croatian state is actually the fruit of a suddenly augmented German influence. And when Croatia had already been recognized, England and France were against its coming fully into its own and always found new reasons why the Serbs need not carry out the UN resolutions.

The framework of the former state of Yugoslavia was proclaimed a stability zone in the world divided into blocs, and the Serbian state was seen as a source of that stability. At that time, its "naughtiness" such as aggression against neighboring peoples and states could be tolerated. The Serbian state will not allow creation of a strong Muslim state in the Balkans and will constantly threaten a Croatian state so that Germany cannot achieve its penetration of interests into the Adriatic. The geopolitical expert, Radovan Pavic, explains it this way: "...the aggressor can do what he likes, but Croatia must not defend itself. And why? Because the world is nevertheless still on the side of Serbia and allows it to do everything for one simple reason: Serbia must be preserved, because it is the only sufficiently strong and suitable instrument for the reformation of some kind of Yugoslavia and perhaps an even broader Balkan community." If Croatia is forced into federalization and if the Krajina is a federal unit within Croatia, that is the inception of a third Yugoslavia. A further step is a confederation with the right to secession, and Croatia, unless it wants to be left without its territories, has no other choice except to enter the new Yugoslavia.

It incorporates the idea of bringing back together the states of the former Yugoslavia and the political initiative of "normalizing relations between Serbia and Croatia" and negotiations between the "Croatian authority and local Serbs," as this is put by the Croatian media, that is, negotiations between the "Republic of Croatia and the Serbian republic of Krajina," as it is put by the Serbian media. There is talk about economic cooperation and cooperation concerning communications, without any preconditions, which is a dangerous precedent. That is, cooperation is beginning to be reestablished as though it was a question of two states, the Croatian state and the Serbian state in Croatia. Negotiations are beginning with the aggressor, and there is no talk about war reparations. If trade also begins within the framework of the proposed customs union, there are no great reasons that would set in motion the mechanisms of the international community for a possible intervention to disrupt that kind of "peace" and that kind of

"cooperation" and compel the aggressor to return the occupied territories. What will remain will be the wartime status quo, Serbia as a victor in the war with two new states which it will "annex," and the destroyed states of Croatia and Bosnia-Herzegovina, which will remain only as a paper problem of the international community when that kind of peace is reestablished, like Cyprus or Cambodia. The problem of such negotiations is still more dangerous when those who have worked on the creation or later on the maintenance of the second Yugoslavia are taking part in them or conducting them.

## Noncooperation With War Crime Tribunal Scored

*93BA1074I Belgrade NIN in Serbo-Croatian 21 May 93 pp 26-27*

[Article by Simonida Simonovic: "Bad News for the Guilty"]

[Text] In a spectacular and lightning-fast action not so long ago, the Americans bombarded Libya from the international waters of the Mediterranean. They even wounded the leader, Muammar al-Qadhafi, in his bedouin tent. That was a punishment, because the authorities of that country did not want to remand to the United States its own nationals—those who had carried out the terrorist attack against U.S. Marines in a Berlin discotheque.

Libyans organized the trial of Libyans. But because they did not do this according to regulations (under the Montreal Convention and other standards of international law), nor did they want to surrender "their own," Tripoli and other cities were partially blown up, and the rest of the world did not get very excited.

The analogy is not really the most apt, but for quite some time now the international community has been threatening our country as well because of war crimes. Libya was a precedent, and we have yet to see what awaits Yugoslavia.

For the present, all that has happened here has driven the world organization, for the first time since Nuremberg, to establish an International Criminal Court with the power to render verdicts equivalent to resolutions of the Security Council or General Assembly. This avoids the bias of those who would mete out justice on national grounds and mistakes similar to those of Libya, for example.

### Justice Is Coming

They have even gone a step further. The Yugoslav fight has simply driven the United Nations after almost half a century to form a PERMANENT court, which is an idea that has been kicking around since 1949. Before it is revived, this ad hoc court is being patented: only for the criminals here. That tragic "privilege" does have its legal basis in a number of resolutions of the Security Council (780 and 820 in particular), which first sounded like warnings and appeals for us to do something ourselves to stop the horrors. But because nothing significant occurred, the general secretary began to move more decisively.

Thus, on 5 May Butrus-Ghali submitted a report to the Security Council on formation of the court and he appended a ready-made draft of the rules by which that tribunal would operate. Very precise rules, rationale, and mechanisms that will govern that institution are set forth in seven chapters on 36 pages (31 articles). From the technical standpoint, there will be 11 judges with four-year terms (five judges of appeals and twice three on the panel in the first instance), one independent prosecutor with the rank of undersecretary of the General Assembly, and the seat would be in the Hague.

Absurd or not, the Yugoslav side did not take part in this business. Although the United Nations asked it to state whether it wanted in some way to contribute to shaping the character of this court within a certain period of time (the middle-end of April), the FRY Government decided on wise silence: It proclaimed its view on (non)participation to be strictly confidential, it passed on the decision concerning everything to the Assembly (which did not even meet), and attempted to conceal all of it from the domestic public.

In summary: Whether it agrees or not with the "birth" of that institution, the FRY Government did allow the world organization to make the rules by which it may well judge even certain of its nationals.

In favor of that position, there was the official interpretation of government representatives: "If we do not take part, the decisions and rules are not binding on us...," and second, "Why is an ad hoc tribunal being formed for us when all of that might be taken up before the permanent court?..."

What for some were arguments sounded to others in the domestic public like a continuation of the series of tragic mistakes in assessment and behavior. So one gets the impression that certain (para)governmental circles are setting themselves up as defenders with their constant foot-dragging and argument against the need for such a court. Whose defenders?

"For me, there is no doubt whatsoever that the court should exist," says Dr. Vladan Vasiljevic, an expert in international criminal law. "The only dilemma is on what legal basis it will be created: On the basis of Chapter 7 in the UN Charter, as proposed by the rules (which designates the founder of the court to be the Security Council and grants it very broad powers, including military repression), or on the basis of a specific resolution of the General Assembly. In the latter case, then, the General Assembly would emerge as the founder of the court."

### A Disastrous Phobia

However it turns out, Vasiljevic continues, this tribunal is indispensable, because the former Yugoslav states

have not acted in compliance with obligations from the Geneva Convention—to prosecute and punish those who have committed crimes against humanitarian law; whether they are their own nationals or foreign nationals who happen to be on their territory. At the same time, in regimes like those in Croatia or the FRY, and especially in B-H [Bosnia and Herzegovina], there can hardly be an independent judiciary, which is an additional reason for suspicion and fulfillment of the obligations under the Geneva Convention.

"That is why I think that the secret position and rationale concerning (non)participation of our representatives are the consequence of incompetent assessments and a total ignorance of UN mechanisms. After all, once the court is established, and especially that kind of court—above the state and national judiciary—then there is no longer deciding on wanting to or not. The legal consequences are the same for everyone, but particularly for us, if we desire membership in the United Nations. This approach confirms once again that tragicomic phobia toward the international community as a source of violence of the powerful and as a center of the conspiracy of the imperialist forces and the United States. And the upshot of this kind of absence of intelligence is that the United Nations has actually hired for this project top-flight independent legal experts from the entire world, and Yugoslavia is the only country left out. The country which all this concerns most," Vasiljevic says.

Because there is no hint of a change in the approach to the matter, the question arises whose interest is being served by this position?

"As soon as the international community raised the issue of atrocities (Resolution 780 on Gathering Information at the end of last year), Serbian political circles have been trying in every way to impede cooperation of the Panic government with the United Nations. That is, the point of departure was that all the others have committed atrocities, only we have not."

**The Panicites and the Konticites**

Dust was raised already over the first report prepared for the Karlshofen Commission back in November 1992. The second, although ready long ago (it was also done by people close to the Panic government), has not gone to New York to this day, because it was disputed by Milan Bulajic, secretary of the disputed government commission. That is why the new Kontic team entrusted this to Bulajic, saying "it is best for him to complete it himself," which he still has not done, Vasiljevic says.

Vasiljevic adds that the entire group of people concerning the relevant ministries who are deciding on this subject matter are simply incompetent. "They prove this with their persistent insistence on collective responsibility, which international criminal law does not recognize. It honors only individual responsibility, and this team proclaims that a model imposed by the United States!"

Forgetting that there are no guilty parties in advance in international law, these people have been doing things disastrous to the interest of the country, because they think by "nonparticipation" they can protect in advance people from the top political leadership (the names of distinguished people read out by Eagleburger).

The situation is getting worse.

Kontic's team had for all practical purposes been reluctant to take anything inherited from the Panic team. Not even the highly competent detailed study of a special group of experts (referred to as Opinion No. 8), which proposed that a team of experts be formed immediately to monitor what was done under Resolutions 780 and 808.

The group's purpose would be to articulate our position and view, to help the government, and to draft our proposal of the rules by which the international court would operate. Unfortunately, although there was still time (this was mid-March), the "new team" (ministers of justice, human rights, and their associates) was unwilling or not brave enough to accept a compromise.

**In Violation of the Agreement**

In the meantime, "our expectations" that perhaps the Russians would oppose the "ad hoc" court in the United Nations were drowned. The Security Council, on the contrary, decided to speed up proceedings and introduce some kind of legal protectorate. On this occasion, our traditional friends once again placed the interest of world peace over our "devotion to principle."

Since the beginning of the war in Croatia, the opportunity has been missed to discharge obligations under the Geneva Convention and gather data from the Army of Yugoslavia about serious violations of humanitarian law. This especially applies to the areas that were under its control, regardless of who the perpetrator was.

Through the mediation of the International Red Cross, in November 1991 the Yugoslav and Croatian authorities signed a special agreement on the application of international humanitarian law (one of the signatories on our side was Radisa Gacic, minister for labor, health, and social welfare policy), and in May 1992 the same thing was achieved for Bosnia. It is a question, then, of an obligation for the national authorities to prosecute and punish all perpetrators of serious violations of humanitarian law. We have not been respecting that agreement, Vladan Vasiljevic says.

At the same time, the Croats have in the meantime initiated 500 proceedings in the Osijek region, and the Croatian Assembly has withdrawn from Paraga his deputy credentials under suspicion that his units of the HOS [Croatian Defense Force] have committed crimes. It is possible that all this is a farce, but at the same time it is a more pragmatic and rational approach than ours, because the international community looks upon this as an expression of goodwill, Vasiljevic says.

Is everything lost, and what can we still do if we wake up and decide to be more cooperative? (Vladislav Jovanovic was seeking something like that, but internal political conditions also "experienced" a sudden metamorphosis.)

It is hard to believe that essential features in Butrus-Ghali's rules will change. But we still do have time to nominate a judge, because all member countries are entitled to do that (the Security Council chooses 11 from a short list of 22 to 33 candidates). It is known on reliable authority, however, that we have not done that. As though we really have not been at war, as though all those people had not died on our side as well, as though not a single Yugoslav national put on a uniform (as a volunteer, in a paramilitary organization, in the guards...), waved a weapon, crossed the Drina, got his hands bloody.... As though we never had anything to do with all of that.

## Yugoslav Transport System Near Collapse

*93BA1074J Belgrade NIN in Serbo-Croatian 21 May 93 p 32*

[Article by Svetlana Djurdjevic-Lukic: "Trains, Ships, Airplanes..."]

[Text] The use of private cars has for all practical purposes been banned, electricity is being turned off for eight hours every day, and the bicycle is the only reliable means of transportation. This is a picture of Cuba forced to buy half as much oil as before disintegration of the USSR.

Petroleum production here at about 1.3 million metric tons also can cover only half of the present demand, which has been greatly reduced, Prime Minister Kontic recently declared.

Passengers "at the local level" are beginning to prevent the movement of trains with their body out of resentment at overbooking and lateness. (Need we recall that 60 percent of the trains do not run on electricity.) An adviser in the Energy Committee of the Economic Chamber says that collapse in transportation is inevitable, the federal prime minister warns that people should be ready for anything, but no transportation policy that has been seriously thought out is in the offing as yet.

The Economic Chamber of Yugoslavia has only now presented to the competent federal ministry a list of proposals for fuel economy: adoption of staggered working hours to relieve the burden on vehicles and cut down on their wear, elimination of parallel transportation where there are alternatives—buses and electrified transportation or several different carriers, and elimination of red lights that are not so necessary.

"After the first and also these tighter sanctions, we sent to the competent ministries detailed programs on the functioning of the railroads from the standpoint of the economy and the public and switching to less expensive transportation, but the efficiency program was not carried out consistently," NIN was told by Eng. Ljubomir Stozinic, deputy general director of the railroad for operations. "Because of the shortage of fuel, we eliminated 120 trains in local traffic, which is 60 percent of the total number, and even what is left occasionally do not run when deliveries are too small. Because of the shortage of parts and supplies, 52-55 percent of the cars in passenger transportation are out of service, yet we have an increase in the volume of traffic here, while freight traffic in the first four months was down 58 percent from the same period of last year."

The second largest national transportation firm, Jugoslav Aerotransport [JAT], is in a much worse position. The domestic lines never have been profitable, and JAT has made its money on international flights. People for whose schooling a great deal of money was spent are now in danger of being left without hard-earned permits and are vegetating on the minimum pay (the captain of a Boeing 737 3 million for March, which was received in May, 3.6 million for April under threat of a strike). Foreign companies are taking over the passengers, and thus immense money is flowing out of the country. And those employed at JAT are sending passengers to private agencies, their own or those of friends.

"JAT has turned into an agency for passenger bus transportation, and it does not even sell tickets. Last year, we sold only 3,400, and in the first three months of this year 53 (written out: fifty-three) tickets! The government has done nothing to prevent foreign companies from selling their tickets themselves or through private agencies, although, except with Austria, there are no bilateral treaties that would allow that. And the commission is not small. From 1 July of last year to 30 April of this year, we carried 29,200 people just to Budapest. When passengers carried by other agencies are included and those going to Skoplje and Sofia, and those who take the train to those cities, I estimate that about $19 million left Yugoslavia since the beginning of the sanctions," NIN was told by Borivoje Kovacevic, JAT director for the Yugoslav market.

JAT's attempts to find some kind of models for survival have not worked out. The scheme with Timisoara as a base fell through because of the fear of the Romanians, and the one with the company in Skoplje—in which at least some of the personnel would be employed under special contract—because of the stubborn opposition of the authorities there to register it, although in Macedonia nine companies are already operating freely. Flight personnel are unable to make a living, or even to stay in training, because they are undesirable where they have been working up to now, in the Near and Far East—Islamic countries, and the West is overbooked.

"The government has no defined policy, and the management of the company is afraid of making waves, so that we were forced to strike," says Branislav Jovic, president of the Independent (Samostalni) Trade Union

of Transportation Pilots of Serbia. "We are threatened both in our profession and in getting enough to live on, because after just six months of not flying we must repeat the entire training program, which for 500 pilots cost $50 million. We are also reserve officers in the Air Force, so if the government does not want us to emigrate in a body, it must find a way of preserving the core of air transportation."

It is also a fact that 500 pilots are nevertheless too many. All the transportation firms here are too large for the 10 million citizens of the third Yugoslavia. Instead of 30 airplanes and 6,200 employees, by world standards JAT ought to have about 12 planes (less than 1,800 seats) and fewer than 3,000 employees. Every month the railroads are sending a fourth of their work force on mandatory leave at 80 percent of their pay.

"It is silly to talk about economy when the price of petroleum for a 100-km trip exceeds the price of a ticket for a full bus," says Mr. Vladimir Stanojevic, director of Srbijatransport. "Production has fallen to one-fifth, and freight shipping is very expensive."

Intercity buses are not manufactured in Yugoslavia, and even before the sanctions were introduced, they were more than seven years old on the average in our country. The calculation of the highway transportation people is that domestic oil production could cover fuel consumption of public carriers, the police, and the army. The problem is that then industry, construction, and other branches of the economy are left "hanging."

"To be sure, at one time we did foil the passengers and they became accustomed to traveling direct not only to Belgrade, but even to Vienna," Stanojevic says. "Now that I am talking about that, the lines with Austria, which are already some 20 years old, are still in service, but there is a constant danger, because of discrepancies in regulations and competency between the republic and the federal government, that this could shut us off from the world still more. We barely succeeded in getting those lines exempted from the fee of 1,500 German marks [DM] introduced by the republic government. Suppose the Austrians on principles of reciprocity demanded this from us, what would we have to charge to carry passengers? In any case, unless there is a political solution, there is no economic solution."

## Serbia

### No-Confidence Vote in Government Considered

#### Sainovic Addresses Assembly

*AU1706142893*

[Editorial Report] Belgrade Radio Beograd Network in Serbo-Croatian at 0839 GMT on 17 June broadcasts a live relay of a 17-minute speech by Nikola Sainovic, prime minister of the Republic of Serbia, at the Serbian Assembly about the aims of the Republican government.

Sainovic says that the "aims of the policy of the Serbian Government have not changed in these four months of the government's term of office. The first aim is peace, the second is the strengthening of the economy and the preservation of the standard of living of citizens, and the third is the strengthening of state functions and combating all forms of crime. The conditions for realizing these aims are changed in the sense that new, difficult restrictions, above all from [word indistinct], have been imposed, because the situation of four months ago differs from today, to put it most mildly, in the Security Council Resolution 820 which imposed against our country not only new sanctions, but also a blockade on all borders, along sea coasts, land, and rivers. At the same time, during these four months, a war and suffering has continued on the territory of the former Yugoslavia and one still needs enormous material demands imposed on the already exhausted and impoverished economy." Sainovic adds that although blockades have never stopped life in any country they have always increased the price of living. "Life going on under the condition of the situation around us, around our country, is not impossible but is inevitably more expensive," Sainovic says and lists "answers regarding the already set aims" and adds that as regards peace as an aim, one "should approach all interested factors and warring sides with even more energetic and more courageous peace initiatives with a view to protecting the interests of the Serbian people in all war-stricken regions."

Regarding economic questions, Sainovic says that "social product for 1993 has been evaluated to be only somewhat above $10 billion. The fall in industrial production has reached nearly 40 percent in 12 months under sanctions. The non-economic fund outflow because of the aid to the Serbian people in the Serbian republic and the republic of Serbian Krajina, keeping refugees, and the like is evaluated to total about 20 percent of the social product." Sainovic adds that "these are the reasons for the fall of the standard of living and the serious hardship suffered by our people. This should be known by all our citizens and all our brothers in the krajinas, so that all this would form an indivisible whole with our deep orientation to endure in the just struggle of the Serbian people on this territory. Confronted with such a situation," Sainovic says, the government decided take measures to first of all "ensure food, maintain possible production, and through state intervention help people with the hardest life. How to do so? First of all with an energetic support to agriculture." Sainovic says that harvest has been "successfully completed" and that "a wheat yield of more than 3 million tonnes is expected. The government adopted the harvest program yesterday and the program will begin being realized next week." He adds that the wheat will be paid to the producers "immediately. Funds from primary issue earmarked for wheat purchase whose volume has already been established are going to be at the disposal of the Republican Commodity Reserves Directorate alone."

Further on, Sainovic speaks about regulations for milk subsidies, cattle fodder, and fertilizers and concludes

that "there will be enough food and nobody should threaten that this nation will starve."

As regards industry, Sainovic says that "in conformity with its program orientations and in cooperation with the economy, the government prepared more than 80 programs" with the aim of creating a basis for "a real, economically justified, and selective policy of preserving production, above all production aimed toward exports." He says that there are two new measures to be taken in this sphere: "to create conditions to give over socially-owned enterprises be placed under the management of other, successful enterprises or even leased out to a private company that would secure the functioning of the production." Sainovic then lists projects in the sphere of energy that have been completed, such as the heating systems of Belgrade, Pristina, Pozarevac, and Smederevo, the electrification of railroads, and the like. He says that all these activities "will require money and that one will need to use primary issue as well," as well as that they will be done under the credit-monetary policy which has been envisaged to be "moderately restrictive."

Sainovic says that laws on the National Bank of Yugoslavia and other banking laws that are going to be discussed will "complete economic constitution of the Federal Republic of Yugoslavia and ensure implementation of a united economic policy and united control function in the important spheres such as money, banking, and financial currents."

Further on, Sainovic speaks about wages, saying that "the policy of wages will be based on establishing the lowest wage that can ensure a decent living to the employed people on the basis of the price of a group of products and services of vital importance, along with establishing a fixed ratio between the lowest and highest wages."

Sainovic says that the price policy includes three categories: "subsidized products," such as bread and milk, "essential products and services whose prices are under the direct control of the government," and prices of other consumer goods that have been frozen at a given level and will serve as basis to assess need for financial support to the producer.

Regarding social policy, Sainovic says that it "above all includes quicker revaluation of pensions and social benefits" and ensuring intervention supplies of food and personal hygiene items to workers and pensioners.

Speaking about medicines, Sainovic says that the government has issued a decree on control over medicines which will prohibit illegal trade in medicines and that $6 million has been ensured for intervention imports of medicines and raw material needed for their production which are in short supply.

Sainovic says that these were the "most important measures of the government's economic and social policy" whose effect, "together with measures of the federal government and the national bank, will ensure a mitigation of the inflation and price rises and at the same time protect the most endangered strata of the population."

Further on in his speech, Sainovic says that the government is going to be "consistent" in its policy in the sphere of strengthening state functions, security, and combating crime. He says that "everybody is equal before the law" and that "activities carried out so far have shown some possibilities, as well as shortcomings." The government has therefore completed proposals for a new criminal code, a law on misdemeanors, and a law on executing criminal sanctions, he says.

Sainovic says that the government has also assessed "that it is inevitable to carry out certain cadre enhancements and organizational changes in the organization of the government, ministries, and regional bodies with a view to adjusting to the high demands of the grave situation in which we live." In connection with this, Sainovic mentions proposed changes of the law on government and says he will report "on further organizational strengthening of the republican administration" next week.

Finally, Sainovic speaks about the present grave situation and concludes that "we have preserved this state against all odds" and will "realize the historic aims of our people."

### Deputies Begin Debate

*AU1706112993 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 17 Jun 93*

[Text] Let us see what is happening in the Serbian Assembly building at the moment. Our correspondent Zoran Vaskovic is on the line:

[Vaskovic] Approximately 20 minutes ago, following a break, the deputies began to debate the speech made by Prime Minister Nikola Sainovic. Let us remind you that a proposal by 21 deputies that no confidence be expressed in the government is on today's agenda. Deputy Predrag Mijailovic is speaking at the moment.

Bogoljub Pejcic—the first deputy to speak—expressed discontent with the work of not only the current government, but previous ones as well. He spoke in favor of expressing no confidence in Nikola Sainovic's government.

At the correspondents' request, Prime Minister Sainovic held a news conference during the session break. He spoke in detail about further activities of the government, which he outlined in his speech to the deputies. He particularly stressed the importance of the 80 programs to prevent the fall in production.

In response to a correspondent's question whether he is going to be given confidence today, Prime Minister

Sainovic said that with certain reinforcements, his government is ready to fulfill the tasks, and whether he will be given confidence is something for the deputies to decide.

### Condition of Draskovic 'Continuously Deteriorating'

*AU1606161193 Paris AFP in English 1547 GMT 16 Jun 93*

[Text] Belgrade, June 16 (AFP) - The condition of detained Serbian opposition leader Vuk Draskovic and his wife Danica is continuously deteriorating after two weeks in prison, family members said Wednesday [16 June].

Vuk Draskovic "is spitting blood," and his wife's condition is also deteriorating, said family members who visited the couple in Belgrade's central prison Wednesday.

They said the couple had been kept apart throughout their detention despite pleas to be allowed to see each other "even for two minutes."

Draskovic, who is chairman of the Serbian Renewal Movement (SPO), and his wife were beaten and seriously wounded when police arrested them in an anti-government protest on June 2, their lawyers and relatives have said.

They were taken to a hospital for treatment Monday [14 June] and returned to prison a day later.

No medical bulletin has been issued by the Belgrade hospital where they were treated and one of their attorneys, Borivoje Borovic, was not allowed to visit them in the hospital.

The Draskovics have been charged with causing a riot and face at least 10 years in prison if convicted.

### Commentary on Draskovic Case

*AU1506210193 Podgorica MONITOR in Serbo-Croatian 11 Jun 93 p 15*

[Commentary by Dragan Veselinov: "Between Cetinje and Belgrade"]

[Text] Every further joint meeting of [President] Bulatovic's Socialists and the opposition would only strengthen Montenegrin independence policy and put off the removal of the Podgorica authorities. By supporting the democratic opposition in Serbia, the Montenegrin opposition is certainly working on its country's independence, but it is also temporarily sacrificing its ambition to take power. This is only true of the present situation in which Vuk Draskovic's arrest in Belgrade has become a signal for general Montenegrin alarm and fear of Slobodan Milosevic's military-police autocracy [samodrzavlje] spreading. Tomorrow, regardless of whether the police lunacy in Serbia were to stop, or Montenegro were to secede from Belgrade, the opposition would continue with its primary policy of criticizing the regime and taking power.

With Draskovic's arrest, all the debris of the Belgrade opposition surfaced. While Draskovic leapt to the rescue of his deputy only an hour after he had been beaten up, the opposition party leaders have not done anything for him even though seven days have passed since his removal and near fatal beating. There are those who are cowards and only whine for Draskovic to be released, there are others who are already calculating how many of his members, deputies, and funds they will be able to take, and then there are those who are pathologically sorry that they were not the ones to be arrested instead of Draskovic, and that they will not hear Mitsotakis raise his voice on their account. There are those who are overjoyed with Draskovic's orders to Serbian Renewal Movement [SPO] members warning them not to loiter in the streets because then they do not have to justify their own inefficiency and laziness, and those who are stupid and do not believe that, come tomorrow, they too will find themselves behind bars, so they sit drinking coffee and marveling at the state's cheek.

The Belgrade opposition has been brought to its knees. Draskovic's arrest and removal immediately showed that he, no matter how controversial a political personality, was also the backbone of the resistance to the regime. His organization cannot be run without his passion, romanticism, energy, and stubbornness. His temporary replacements—articled lawyers and politically weary writers—have none of this. Many people here deceive themselves that it is enough for them to heed Vuk's whispers from prison, and that the organization will once again thunder out like the trumpets of Jericho.

Milosevic will probably not release Draskovic from prison very soon. He has sensed that Vuk's organization is dead without him, while his fate does not ruffle the opposition too much. The Serbian president is a lover of beauty, and he could not possibly release Draskovic now that he is covered in painful bruises and is not very pleasant to look at. How can he release from jail the living proof of his vulgar rule over state anarchy? The longer the police keep exhausting him in cells, the more the SRS [Serbian Renewal Party] tree will wither. The Serbian president has been ready to destroy all of Serbia, let alone Draskovic, in the name of power for a long time now. He will only save Draskovic from rotting in jail if he receives some great incentive from abroad.

What can Mitterrand do in this case? Almost nothing. If he is not willing to attack Milosevic militarily, he will hardly be able to wrench Draskovic from him with pleas. It is not enough for the Serbian president's vanity to have only two or three leaders lodge a protest with Belgrade. What he would like is for 50 to 1,000 state leaders to come begging, and then he would smile indulgently. And Mitsotakis? Something just might come

out of this. Milosevic wants some kind of Balkan integration, and he cares about Greek smugglers and the political support of their nationalistic hysteria. He also wants to weave some kind of net around Macedonia, as his mystics are frothing at the mouth at the idea of a final Kosovo battle, and they want Greece as an ally. However, a deal does not seem probable. Athens will not engage in shady dealings just to have Draskovic released.

And the world? How can it blackmail Milosevic? Sanctions were already imposed a year ago. What remains now is to cut off all telephone communications with us, to ban our travelers from European and other countries, to sever every passenger traffic connection with us. Not even this would worry Belgrade. It would be happy if the outside world did not exist at all, since then it could do what it liked at home.

What remains is the action of minor parties in Belgrade. The capital is in a state of shock. If it gets over Vuk Draskovic without any resistance, then the largest bloodthirsty political field in Europe will be open to the police and the Army. There would be practically no one who could put an end to the state terror. Open pillage and anarchy would finally be transferred from the war zones into Serbia. The danger hovering over it is understood by very few among the opposition. Nationalistic parliamentary parties are pleased because they will now be able to show off instead of Draskovic, and he will not annoy them with his outbursts of sincerity and remorse. These parties are calculating that the war in Herzeg-Bosnia has technically ended in Serbia's favor and that they must be in the victors' triumphant parade and not on the sidewalk full of those against the war. They think that they should leave the authorities alone.

It seems that the Montenegrins have no illusions as to what would happen to them in the event of a total dictatorship [strahovlada] in Belgrade. The broom would catch up with Bulatovic, Perovic, Kilibarda, and others. The dictatorship would know no limits and it would turn Montenegro into Salambo the slave. For the time being, the unification of the authorities and the opposition on a joint platform of resistance toward Serbia is still fragile. Cooperation is nevertheless inevitable. Serbia's road has been chartered and it leads downwards. Montenegro still has the chance to turn away. We must firmly start preparing the terrain for departure. You do not embark on a long journey with empty suitcases.

## Opposition Politician Markovic Appeals to UN

*AU1606154493 Vienna KURIER in German 16 Jun 93 p 2*

[Petar Jocic dispatch from Belgrade: "Appeal for Help From Belgrade to the Vienna Conference"]

[Text] At the beginning of June Serbian opposition politician Mihajlo Markovic was beaten up by a deputy of the Radical Party in the Belgrade Parliament because he had protested against the ousting of President Cosic. Subsequently, there were demonstrations and street battles in Belgrade, and opposition leader Draskovic was arrested and seriously abused by the police. Markovic is still bedridden, but in an exclusive interview with KURIER he appealed to the Vienna Human Rights Conference not to forget the situation of the Serbian opposition.

"In Serbia there is an undeclared state of emergency," Markovic says in a low, broken voice. "Human rights are a mere fiction in our country now. The rule-of-law state has abdicated. Police and Army are completely controlled by the Milosevic party. The Western tolerance toward the Belgrade regime should be finally over—because Serbia, its citizens, and its neighbors are suffering terribly."

Today Serbia is completely in Milosevic's hands, the opposition politician complains. And Milosevic is going over dead bodies. The ousting of President Cosic and the hunt for the opposition were planned exactly: "On the day before Cosic's fall, a radical deputy threatened me that he would massacre me just like the many people he had killed in Bosnia. Then came the arrests, the torturing of the Draskovic couple, and the motion for banning the Serbian Renewal Movement. This shows that Milosevic and his executioner Seselj are planning the final solution of the opposition."

When Markovic was hospitalized, only light injuries were diagnosed. Only when he had arrived home, he received an anonymous phone call from a doctor that he should urgently have himself examined—because of serious injuries to his brain.

## Wages Increasse 165 Percent in April

*93BA1093D Belgrade POLITIKA in Serbo-Croatian 19 May 93 p 10*

[Article by K.K.: "Average April Salary Up 4.6 Million"]

[Text] In nominal terms, salaries are going "sky high." According to yesterday's announcement in the Republic Bureau for Statistics, employees in the Republic of Serbia received on the average 4,627,432 dinars net for their work in April. This is a growth of 195 percent in just one month. Average salaries of employees in the economy, which amounted to 4,340,651 dinars, grew slightly faster than the general average—at 197.5 percent. At the same time, those employed in noneconomic activities received 5,924,370 dinars on the average, or 187 percent more than a month earlier.

There was the greatest increase in salaries of those employed in Vojvodina, who in April received an average of 5,185,840 dinars, or a 214.7-percent increase over a month earlier. The salaries of employees in the middle part of Serbia (Serbia proper) averaged 4,509,901 dinars, or an increase of 189.1 percent over March, but in Kosovo and Metohija the average was 3,494,089 dinars, or 168.1 percent more in nominal terms.

According to statistical measurements, the cost of living last month grew appreciably slower than salaries and are said to have risen only 92 index points over March. According to that measurement, real (purchasing) value of our miserable salaries rose appreciably in April—even slightly more than 50 index points.

This is one of the possible statistical illusions, which in the context of our everyday life, which is uncontrolled at least when it comes to the operation of market laws and usages, deprives of meaning even the most exactly founded methodological procedures and standards of measurement. Our methodology for statistical monitoring of the cost of living, that is, is based on abundant foreign experience and comes down to recording the daily life of several thousand families of differing social strata and their consumption of several hundred different articles and services. And, well-informed sources say, it will turn out that there is no error in our statistical calculations, but there undoubtedly has been a drastic discrepancy in the quality of life between those who are constantly polled and our other families.

Put simply, it would come down to the following: While until quite recently, say, the families polled (and they certainly were not alone) consumed 50 grams of meat per day per member of the household, now they can allow themselves this only once a month. And that is true of almost all the other articles on the list used in the survey. And—this is the wonder: It turns out that over the past year our salary has increased by even half in terms of real purchasing power!

Experienced people therefore speak of caution in handling the statistical indicators that are involved. But statistics, we are afraid, are unable to find a methodology for realistically showing the conditions of life and its quality under which we all live....

## Macedonia

### Defense Minister on Relations With Neighbors

*AU1706074793 Belgrade BORBA in Serbo-Croatian 15 Jun 93 p 15*

[Report on the news conference held by Vlado Popovski, Macedonian defense minister, by Dragan Nikolic in Skopje, on 14 June 1993: "There Is No Direct Danger From Neighbors"]

[Text] The Macedonian defense minister said that "there was no direct military danger for Macedonia from any of its neighbors, not even from Serbia." Popovski said that he expected the situation to stay as it was since Macedonia had been leading a policy of friendly relations with its neighbors. According to him, once the war is over, "all borders will be open and cooperation on the whole territory of the former Yugoslavia will be reestablished."

Popovski said that there were risks not to be neglected. He stated that the war in Bosnia-Herzegovina was going on, that no dialogue was achieved in Kosovo, which is crowded with soldiers, and that paramilitary formations out of control of official authorities were active in Serbia. He also stated that anxiety was caused in Macedonia by statements issued by some Serbian nationalists as well as by the decision taken by the Synod of the Serbian Orthodox Church to appoint an administrator for the Macedonian Orthodox Church: "One should be naive in order to believe that the outcome would come in a peaceful way."

Vlado Popovski said that the presence of foreign troops in Macedonia was not directed against any country: "We have always pointed out that Macedonia does not want to be a basis for intervention outside Macedonia." According to Popovski, Macedonia cannot accept such a role, let alone support it. He says that U.S. soldiers—whose advance guard should arrive in Macedonia during this week—will play the role of observers within the UN Protection Force. Popovski pointed out that 300 U.S. soldiers would be coming in the following two to three weeks.

Apart from that, the Macedonian defense minister stated that Macedonia would enter no alliance with any Balkan country because this could directly cause a Balkan war. That is why Macedonia decided to rely on its own defense forces and the "collective safety system" guaranteed by NATO [not further specified]. Popovski said that contacts with NATO had been established and that the Macedonian government would in these days officially apply to become a NATO member. According to what he said, Macedonia would be pleased with the same status Albania has—an associate member.

It is known that Macedonia has no heavy artillery, rocket defense systems, tanks or similar weapons. This equipment was pulled out of Macedonia "based on the Gligorov-Adzic agreement," said Popovski and added that the Macedonian Army has only defensive weapons.

According to Popovski, Macedonia should be included in the system of collective defense because it is a small country that cannot be an aggressor; only a victim of aggression. Answering a question asked by one of the reporters, he said that the issue of establishing U.S. military bases in Macedonia had not been discussed. He did not exclude the possibility that the UN Protection Force mandate might be changed from an observing to a protecting function.

## Montenegro

### Bulatovic Accepts Observers, Seeks End to Embargo

*AU1606145793 Munich SUEDDEUTSCHE ZEITUNG in German 16 Jun 93 p 11*

[Bernhard Kueppers report: "We Are Not Involved in the War"]

[Text] Podgorica, June—Under pressure from a disastrous decline in the economic sector, and in view of

demands that the country should secede from what is left of Yugoslavia, the formerly Communist leadership of Montenegro is seeking a relaxing of the UN embargo against the republic. In a SUEDDEUTSCHE ZEITUNG interview in Podgorica, Montenegrin President Momir Bulatovic said that his republic wanted to prove that it is "absolutely not involved" in the Bosnian conflict and does not see any problem in the deployment of UN observers on its border with Bosnia-Herzegovina.

All the political parties of Montenegro have dissociated themselves from the way Dobrica Cosic, the former president of what is left of Yugoslavia, was ousted from office in the Federal Parliament in Belgrade. In view of this, and following a large protest rally in the former Montenegrin capital of Cetinje against "fascism" in Serbia, Bulatovic said in a reserved manner that his government was "still satisfied with the degree of equality" of the two republics of what is left of Yugoslavia. He recommended Serbian President Slobodan Milosevic to the West as someone "who is today a man of peace." He said that, given the advance of the clearly nationalist Serbian Radical, Vojislav Seselj, in Belgrade, cooperation with Milosevic was "one of the best variants for the peace negotiations."

Prior to the new round of negotiations in Geneva, Bulatovic said after a reception for the two copresidents of the conference on the former Yugoslavia, David Owen (EC) and Thorvald Stoltenberg (UN), that a mechanism had apparently been found to place the efforts for a settlement to the conflict in Bosnia-Herzegovina "into the framework of Serbian-Croat relations." That should, however, not be done to the disadvantage of the Bosnian Muslims, for whom a "normal living space" should be created. It was, however, totally legitimate for the Croats and Serbs in Bosnia-Herzegovina to seek close ties with their respective "mother countries," Croatia or Serbia.

In a separate SUEDDEUTSCHE ZEITUNG interview, Montenegrin Foreign Minister Miodrag Lekic even said that a "historic agreement" between the Serbs and the Croats should be sought. He had created a sensation during his visit to Rome last month when he stated Montenegro's readiness to accept UN observers on the republic's borders, whereas Belgrade rejected such a plan. He now played it down with the remark that such observers form part of the Vance-Owen plan, which has been accepted by what is left of Yugoslavia.

Commenting on this, Bulatovic said: "What is decisive is of course the position of the Yugoslav Federation. However, as this position is taking shape, we have said publicly that we do not see any difficulties for the deployment of observers on Montenegro's border to allow them to verify that we do not support any side in the war in Bosnia-Herzegovina." Following the Bosnian Serbs' refusal to accept the Vance-Owen plan, the traffic of goods with Bosnia-Herzegovina, which in the past had always been totally unrestricted, was now being monitored. Apart from foodstuffs and medicines, which were in short supply in Montenegro, many goods could only cross the border with the Montenegrin Trade Ministry's permission.

Montenegro is seeking a relaxation of the UN sanctions "according to the Iraqi model." It is trying to get permission to export enough metal from its aluminum combine, which has been largely closed down, to be at least able to purchase the most important medicines from export revenue for the next four months. It is true that Bulatovic avoided giving data on his republic's currency reserves, but said that the government "just does not have any money left" to purchase at least the foodstuffs and medicines that do not fall under the embargo. "We are facing total collapse and the ruin of our economy," he said and stressed that Montenegro has a rate of inflation of 10 percent daily.

## Details on Financial Scandal in Montenegro

*93BA1093E Belgrade POLITIKA in Serbo-Croatian 19 May 93 p 11*

[Article by D. Becirovic and B. Milosevic: "The Financial Police Surprised the Agency"]

[Text] Podgorica, 18 May—Late last night, the Podgorica police confirmed in a press release that there is something to the stories about the arrest of several individuals involved in the affair of the ANT-Sistem—the commercial firm Centar in the port of Bar. In the last three days, Vojislav Lopicic, director of the firm Centar, formerly Titeks' department store in Podgorica; Petar Vukcevic, that firm's cashier; Ranko Fustic, director of ANT-Sistem; Vladimir Radonjic, director of ANT-Komerc; Radosav Jokic, chief of the legal department of ANT-Komerc; Zdravko Knezevic, director of Knjizevne Novine D.D. [joint stock company] in Podgorica; Ivan Terzic, pensioner and founder of Bimeksport; Marko Fustic, pensioner; Olivera Fustic, employed in the socialized firm Stip; Dr. Veselin Vukotic, professor in the School of Economics in Podgorica; Branko Popovic, owner of the private firm Tropir Trejd; Miodrag Vujosevic, employed in Montenegrobanka; Vidak Djurisic, employed in Radoje Dakic; Maja Velovic, employed in Knjizevne Novine D.D. in Podgorica; and Sonja Novicevic, employed in ANT-Institut, have been taken into custody.

### A Classic Robbery of the Workers' Property

While we are announcing this, the police have not announced whether it has released any of those arrested from custody, whether there have been new arrests, or what the suspects said in connection with what they are charged with, which is that during the transformation of the department store, that is, the socialized firm Centar, they committed several crimes, as we have already informed our readers in detail.

Because the entire process of transformation was carried out with the blessing of the government's Agency for Restructuring the Economy, we also tried to learn something from it.

"You will receive a press release in two or three days," was the message that Milutin Lalic, M.A., director of the government Agency for Restructuring the Economy, sent to a group of newsmen through his secretary. The representatives of the press were not surprised by the refusal to see them, but they were surprised how the director of the agency knew in advance what the newsmen would be asking him.

This big scandal has probably been carefully combed through by the financial police, and this is a big point for it in the eyes of the public. Even in the financial police, however, we were unable to find people today who would say anything more about this big commotion that involved immense amounts of money. What is more, the arrests came like salve on the workers' wound, who were looking at a conventional robbery of their property under the guise of "restructuring ownership." That is why a few days ago the workers called upon the trade unions to forbid this kind of thing and in some collectives they threatened to use physical means to prevent the factories being taken away from the workers.

In the entire deception concerning ANT-Sistem, the involvement of Dr. Veselin Vukotic is the biggest surprise. To compound the irony, at the time when Vukotic was making statements by the hour to the investigation, Montenegrin television was announcing him to be the principal speaker in favor of restructuring the economy and the money market at a large meeting being held in two days in Herceg-Novi.

That meeting was in fact sponsored by the government Agency for Restructuring the Economy, so now it is uncertain which of them will actually attend and deliver papers at the symposium, because the police has confused many people with its move the day before yesterday.

Answers will probably be forthcoming as to whether the list of those interrogated and taken into custody will be lengthened and what the role of the port of Bar has been in all this. For the moment, as far as we have been able to learn, there is no dilemma about one thing, and that is that the port of Bar actually did invest $100,000 in a joint venture with ANT-Sistem to gather herbs in northern Montenegro. There is also a contract concluded under No. 287, dated 26 January of this year, concluded with ANT-Sistem about a joint venture. It was signed by Petrasin Kasalica, the port's director, and Zoran Djikanovic, director of ANT-Agencija.

**Everything on Behalf of Good and Quick Profit**

Under that contract, the joint business objective of the port and ANT-Sistem was "performance of the project 'Herbs,' including the purchasing and exporting of medicinal herbs." Article 4 of the contract reads: "The port of Bar has invested $100,000 to achieve the joint objective, and ANT-Sistem the project 'Herbs.'"

So, the same project with which, as we wrote yesterday, ANT-Sistem "grabbed" the Centar department store in Podgorica.

The port of Bar and ANT-Sistem agreed to divide the profit 50-50, but if the "job should not be performed or the need arose to return the money before the agreed date, the port of Bar will receive interest for the funds invested in accordance with the business policy of ANT-Agencija...."

Because the job was not performed, and it seems that "the need has arisen for returning the money," the port will probably ask for dollars, if, of course, there is anyone from whom it can collect.

Krsto Sljivancanin, the port's financial director, told us today that business considerations persuaded the port to conclude the contract.

"We counted on a quick and good profit...," the financial director said.

Because nothing has come of the profit for the present, the port will sue in the courts for the money, although Director Sljivancanin himself does not believe in the possibility of the port getting its money even in dinars, much less in hard currency....